



Management Practices of Cooperatives in Nueva Ecija: A Basis for a Sustainable Development Program

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How to cite this paper: Mina, J.C., Domingo, A.V. and Quijano, M.F.T. (2022) Management Practices of Cooperatives in Nueva Ecija: A Basis for a Sustainable Development Program. *Open Access Library Journal*, 9: e8515.

<https://doi.org/10.4236/oalib.1108515>

Received: February 22, 2022

Accepted: March 27, 2022

Published: March 30, 2022

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Abstract

This study aimed to determine the management practices of the different registered cooperatives in the fourth district of Nueva Ecija, Philippines. The study focused on the management practices of the cooperatives in terms of their planning, organizing, directing and controlling functions. The study utilized a descriptive method of research. The participants of the study were 394 respondents composed of the board of directors, committee chairmen, committee members, management groups/staff, and members of the different registered cooperatives in the said congressional district of the province. Management of cooperatives surveyed possesses good planning practices as the board of directors are highly involved in developing strategic plan consists of systematic ways to achieve the goals and objectives of the cooperative. In terms of the organizing function, the board of directors being the highest policy-making body of the cooperatives is involved in hiring essential and skilled cooperative personnel. The executives of the cooperatives take full responsibility for training and motivating the office staff and other personnel as part of the directing function of the cooperatives' management. As to controlling function, the board of directors and managers ensure excellent results on every endeavor of the cooperatives through effective monitoring and control systems including financial and management reports. The study also proposed a sustainable development plan in terms of management practices for the different cooperatives. The study recommended that cooperatives should continue working with Cooperatives Development Authority in order to stay grounded to the principles, values and practices of cooperatives.

Subject Areas

Marketing

Keywords

Cooperatives, Management, Practices, CDA

1. Introduction

Cooperative, just like any other organization, would realize its full potential if adequately managed by the people composing the administrative posts. It is also mandated among members to support their cooperatives' management to fulfill the principles of unity, solidarity, and camaraderie in the cooperative. As an organization that fosters service to all its members and communities, a cooperative must be governed according to its undying purpose and be guided with its principles to remain relevant in the contemporary world.

The International Cooperative Alliance (ICA) defines a cooperative as “*an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise*” (cited in Bello-Dogarawa, 2015: p. 2) [1]. According to Mojtahed (2007), cooperatives are self-governing organizations with democratic characteristics that attempt to address the needs of their members while also promoting social equity (cited in Castellini & Maran, 2012) [2]. Cooperatives are widely recognized as private voluntary and independent associations of people joining together to pursue a shared economic goal under democratic management, have been regarded as the world's largest socioeconomic movement, filling community needs left unsatisfied by other businesses (Deriada, 2005) [3]. For Ramos (2018) [4], cooperatives exist to provide services to members such as savings, loans, education, training, and the capacity to buy and sell goods at a low cost.

In the Philippines, cooperatives are governed by Republic Act No. 6938, known as the Cooperative Code of the Philippines, and Republic Act No. 6939, which paved the creation of the Cooperative Development Authority (Sam & Abubakar-Sam, 2013) [5]. As noted by Ramos (2018) [4], “*the declared purpose of the law governing cooperatives is to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice*” (p. 262).

Cooperatives endure as a rural development vehicle in third-world nations because they hold as much promise as any other (Deriada, 2005) [3]. For Matua, Karanja & Namusonge (2013) [6], many countries that have achieved economic progress have a thriving and dynamic cooperative sector that contributes significantly to their economies' growth. The operation of cooperatives has also aided rural communities' economic well-being and is directly devoted to long-term development (Sarsale & Kilongkilong, 2020 [7]; Alusen, 2018 [8]; Castilla-Polo & Sanchez-Hernandez, 2020 [9]).

According to Attwood (1988), many countries have concluded that cooperatives are the suitable type of business for the disadvantaged, particularly in rural areas (cited in Deriada, 2005) [3]. In the Philippines, as in many developing nations, as the country's population continues to grow, the cooperative sector is making significant socioeconomic contributions by helping poor areas through sustainable development programs (Deriada, 2005) [3].

As pointed out by Bello-Dogarawa (2005) [1], cooperatives operate in the same way as other businesses do. They must efficiently and effectively serve a market, and they must be well managed. Cooperatives are different from corporate capitalism in that they have a higher level of care for the community beyond their membership base (Launio & Sotelo, 2021) [10].

Proper approaches to the management of cooperatives could be seen as one of the critical factors in the success of these organizations. Cooperatives are not exempted from facing challenges on their operations that would require immediate intervention to control prior damage and adverse effects.

Hence, the management of various cooperatives must be wary of various situations that might put them in a difficult situation. Principles of basic management could be of great help for them to cope with the challenges and threats that might trigger any time. Thus, the function of management, namely: planning, organizing, directing, and controlling; must be observed appropriately and well taken in the management of the cooperatives.

According to Valenzuela (1991), the existence of a cooperative is dependent on the management of its initial sources of financing and its ability to self-finance; the soundness of its memberships and personnel; the involvement of the members; the stability of operations; the prevalence of peace and order; the strength of its linkages; and its adaptability to environmental conditions (cited in Ramos, 2018) [4].

Cooperatives operate within the mandates of laws and have observed the principles they ought to live by. In this regard, cooperatives have a fair share of similarities and differences regarding their respective management practices. For Hoyt (1996), cooperative values are general norms that cooperators, cooperative leaders, and cooperative personnel should share and guide their thinking and behavior (cited in Bello Dogarawa, 2005) [1]. Management practices refer to their activities, attitudes, and behavior towards planning, organizing, directing, and controlling functions in the cooperatives. Management practices reflect their own benchmarks and better ways of utilizing cooperatives' resources for all members' greater benefits and advancement. Tomaquin (2014) [11] underscored that good cooperative governance relates to transparency practices, which include, among other things, a bulletin of information about the cooperative's services, information dissemination about the cooperative's policies, and a statement of its assets and liabilities. He added that good governance also creates jobs and serves as a platform for implementing best practices such as boosting cooperative income, networking, and social marketing strategies, and long-term planning and forecasting. Hence, there is a link between organizational governance and the outcomes it generates (Sac-

chetti & Catturani, 2021) [12].

In the Philippines, particularly in Nueva Ecija, various cooperatives were formed to cater to the needs of their members, primarily composed of farmers, marketers, labor groups, and producers of various commodities and industrial products, to name a few. These cooperatives are headed by their respective Board of Directors being the primary policymakers and controllers. Management of these cooperatives is highly reliant on these people whose primary function is to make the cooperatives run effectively and efficiently.

This study aimed to determine the management practices of the different registered cooperatives in the fourth district of Nueva Ecija, Philippines. The profile and the current management practices in terms of planning, organizing, directing and controlling functions of the cooperatives are described in the study. Hence, the study gives perspective on how the leaders perform their management functions in fulfilling the cooperatives' mandates and thrust. This paper highlights the best practices of the cooperatives in Nueva Ecija that could serve as a benchmark for existing and upcoming cooperatives in and out of the province. Furthermore, the study has proposed a sustainable development plan in terms of management practices for the different cooperatives. In a way, this study could be an avenue for other cooperatives to learn better ways of managing their operations, gearing towards providing better service to their members and community.

2. Methodology

The descriptive research method was used in this study. According to Shuttleworth (2008) [13], the descriptive research design is a scientific method that entails observing and describing a subject's behavior without affecting it in any way. He also added that this method was used to get a broad overview of the topic. Robson (2002) [14] also noted that the object of descriptive research is "to portray an accurate profile of persons, events or situations". In particular, this study described the profile of the respondents which includes the type of cooperative they are currently affiliated with, their present position in the cooperative, and their number of years in service to the cooperative. Furthermore, the management practices of the different registered cooperatives were analyzed in terms of the management function theory of Henri Fayol which includes planning, organizing, directing; and, controlling. The results of analyses were the basis in proposing a sustainable development plan in terms of management practices for the different cooperatives.

This study was conducted in the fourth district of Nueva Ecija, Philippines. The participants of the study were 394 respondents composed of 43 boards of directors, 30 committee chairman, 17 committee members, 53 management group/staff, and 251 members of the different registered cooperatives in the fourth district of the abovementioned province. They were chosen using random sampling techniques. A random sample is a selection of people chosen at random by researchers

to represent an entire group wherein the purpose is to obtain a representative sample of the general population (Cherry, 2021) [15].

The research instrument utilized in this study was a researcher-made questionnaire that was validated by experts in the field of cooperatives. Before collecting data, the researchers requested authorization from the relevant authorities. The researchers personally administered the questionnaire with some of the participants after obtaining all necessary permits and identifying the respondents. The data gathering lasted for more than six months.

Appropriate statistical tools, such as frequency, percentage, mean and weighted mean were utilized to compute the numerical data that were collected in this study.

Data analysis of Microsoft Excel 2010 and Statistical Package for Social Sciences (SPSS) were employed for computations of the gathered information of the questionnaire from the respondents.

3. Results and Discussion

Through the use of survey questionnaire, the following pertinent data were gathered. Researchers personally distributed the validated questionnaires to the respondents whom are members of the cooperatives in the fourth district of Nueva Ecija. Unstructured interview with the management of cooperatives was also undertaken to provide in-depth discussion of the findings presented in this portion.

This portion includes the presentation, analysis, and discussion of findings including the conclusions and recommendations derived from the results.

The first part of the survey questionnaire delved on the profile of the respondents. The members of the cooperatives were asked to fill out the instrument as to the type of cooperative where they are currently affiliated, their present position and length of their membership in the cooperative. These data were obtained from the respondents, noting that these would be used solely for the conduct of this study.

It can be gleaned from **Table 1** that the majority of the respondents or 57% are affiliated with multipurpose cooperatives. It appears that most organizations are multipurpose ones wherein many of them are also engaged in providing social services to their members (Bernard and Taffesse, 2012) [16]. Muthyalu (2013) [17] reported that several districts in the Philippines have a greater number of multipurpose cooperatives and a high level of reliance on cooperatives, with the majority of farmers obtaining agricultural inputs through cooperatives. Additionally, the statistics above show that 20% of respondents are affiliated with credit cooperatives. Guinnane (2001) emphasized that one general explanation for credit cooperatives' success is their capacity to leverage superior knowledge and implement cost-effective sanctions on debtors. Indeed, credit is an essential component between the present and the future. Thus, credit cooperatives, especially responsible financial institutions, are naturally motivated to adopt those values in which

Table 1. Profile of the respondents.

Type of Cooperatives	Frequency	Percentage
Credit	78	20%
Consumer	16	4%
Marketing	7	2%
Service	29	7%
Producer	6	2%
Multipurpose	226	57%
Others	32	8%
Total	394	100%
Present Position	Frequency	Percentage
Board of Directors	43	11%
Committee Chairman	30	8%
Committee Member	17	4%
Management Group/Staff	53	13%
Member	252	64%
Total	394	100%
Number of Years	Frequency	Percentage
40 and above	8	2%
36 - 40	9	2%
31 - 35	43	11%
26 - 30	18	5%
21 - 25	37	9%
16 - 20	43	11%
11 - 15	54	14%
6 - 10	99	25%
5 Years and below	83	21%
Total	394	100%

they will be perilous in shaping a more just and sustainable world (Ferri, 2012) [18]. On the flip side of the coin, it can be noticed that the least preference of the respondents among the cooperatives, or 2% is the marketing one. According to Bager (1980) [19], various flaws with marketing cooperatives were revealed in his study, which was based on an in-depth examination of a selected farmer society. In fact, members suffer from organizational rigidity, low educational standards, and most rural disinterest. Another explanation for these findings is that marketing cooperatives operate inadequately because their members are more interested in the other services offered by the organization to which they belong (Bernard and Taffesse, 2012) [16].

Into the bargain, it can be noticed that the majority of the participants, or 64% are members of the cooperatives. Members cannot be rejected as the cooperative's foundation, as they were the ones who organized it. In reality, their needs are the basis for their existence, which is why their patronage and capital investment maintain the cooperative financially healthy, and their changing needs shape its future (McKee, 2019) [20].

Similarly, cooperatives with a high level of member commitment have produced what is essentially a niche product, one that members want and are willing to pay more for if necessary. Accordingly, cooperatives without this commitment, however, have no niche product (Fulton, 1999) [21].

Finally, the data revealed that the majority of cooperatives or 21% have been in operation for less than five years, and 25% have been in existence for six to ten years, indicating that many cooperatives are part of an important phase in the growth of the cooperative movement in the Philippines. According to the International Cooperative Alliance (2016) [22], with the restoration of democratic rule in the country, the new Constitution of 1987 provided for the promotion of cooperative growth and viability as instruments of equity, social justice, and economic development based on the principles of subsidiarity and self-help. Hence, the cooperatives were considered as the Philippines' third sector to promote the development of society. Only 2% of cooperatives lasted 36 - 40 years, and only 2% lasted 40 years or more, according to **Table 1**. However, there are reasons why cooperatives fail, just as there are for any other business or organizational form. This is frequently the outcome of basic business problems, such as market dynamics, finance access, or mismanagement (White, 2017) [23]. As a result, it is essential to consider that management practices are critical to the cooperatives' long-term viability.

As observed in almost all tables in this study, weighted mean and verbal interpretation are hereby presented to better interpret the qualitative results obtained from the data gathered. Through these, the researchers would be able to provide a balanced and unbiased interpretation of data.

On the other hand, the interpretation of the weighted mean was based on these ranges:

Ranges	Rate	Verbal Interpretation
4.20 - 5.00	5	Always
3.40 - 4.19	4	Often
2.60 - 3.39	3	Sometimes
1.80 - 2.59	2	Rarely
1.00 - 1.79	1	Never

As shown in **Table 2**, the majority of participants believed that their board of directors is always involved in developing the cooperative strategic plan (WM = 4.57). The board of directors, according to O'Neal and Thomas (1995) [24], has

Table 2. Management practices in terms of planning.

No.	Statements/observations	Weighted mean	Verbal interpretation
1	The board of directors is involved in developing the cooperative strategic plan	4.57	Always
2	The board of directors is responsible to be alert to the need for a new or changed policy	4.06	Often
3	The board of directors is responsible for thoughtfully deliberate issues and policy proposals	4.25	Always
4	The board of directors is actively involved in discussing, reviewing, and ultimately approving the plan of the cooperative	4.11	Often
5	The board of directors creates standards of performance of the top management to achieve their vision and mission statements	4.15	Often
6	The board of directors determine and systematically arranges all the main factors to achieve the goals and objectives of the cooperative	4.40	Always
7	The board of directors direct, guide, and control the top management in formulating, implementing, evaluating, and controlling objectives, policies, and strategies	4.09	Often
8	The board of directors engages in strategic planning to ensure that the cooperative remains financially sound and be able to maintain its reserves	4.12	Often
9	The board of directors has a contingency plan or alternative courses of action if the initial plan does not work	4.16	Often
10	The board of directors makes ways on how to increase the number of their members	4.06	Often
11	The manager assists the directors in developing the overall goals and objectives of the business	4.15	Often
12	The manager designs the operating procedures and makes financial projections	4.06	Often
13	The manager is responsible for making yearly plans and projections	4.09	Often
14	The manager makes annual projections of balance sheets and operating and cash flow statements	4.06	Often
15	The manager sets goals and objectives for the day-to-day operations of the business	4.13	Often
	Average weighted mean	4.16	Often

a wide range of responsibilities, including analyzing and ratifying management's strategic plans and goals, forcing management to think ahead, setting the tone and direction of the company, anticipating and managing change and uncertainty, and participating in strategy creation and implementation. Ingley and Van der Walt (2001) [25] described the board of directors' position in strategy as constituting a variety of actions ranging from approving, monitoring, and assessing strategy on the one hand, to a leadership role of active involvement in establishing goals, values, and setting direction on the other.

Simultaneously, the majority of the respondents perceived that their board of directors always determines and systematically arranges all the main factors to achieve the goals and objectives of the cooperative (WM = 4.40). The board of directors is ultimately responsible for developing and executing all areas, which includes all of the major aspects that contribute to the achievement of the cooperative's goals and objectives. Since there are chances of a financial crisis, they have been under intense pressure to provide easy explanations about the strategy to their members, and others stakeholders when the organization's performance is poor or non-existent (Eisenstein, 2019) [26].

At the same time, the respondents thought that the board of directors is always responsible for thoughtfully deliberating issues and policy proposals (WM = 4.25). As the board of directors, they should also design and write policies for codes of business behavior, ethics, environmental, social, and governance, conflicts of interest, and whistleblowing (Price, 2018) [27]. By enacting policy, they put their member representation function into action. In fact, many discussions regarding cooperative directors refer to the board's role as "setting cooperative policies," which is a responsibility that the board has (Baarda, 2002) [28].

On the opposite side, the respondents revealed that as per their observation, their board of directors is frequently performing the following tasks: their responsibility to be alert to the need for a new or changed policy and their obligation to make ways on how to increase the number of their members (WM = 4.06). Nevertheless, the managers often design the operating procedures and make financial projections, and their commitment to making annual projections of balance sheets and operating and cash flow statements (WM = 4.06) is also often observed. Organizational planning is a management activity that is concerned with identifying goals for future organizational performance and determining the tasks and resources that will be employed to achieve those goals (Bundoc, n.d.) [29]. This means that by involving the board of directors and the management team, which serves as the organization's brain, in each part of this activity, the cooperatives can significantly improve their chances of being successful. Additionally, cooperatives may include in their calendar of activities the development of their programs that are aimed at realizing the essence of collaboration, which may be conducted in conjunction with other cooperatives (Mina, 2019) [30].

From the data in **Table 3**, the respondents claimed that based on their observation, the board of directors always performs their roles in human resource

Table 3. Management practices in terms of organizing.

No.	Statements/observations	Weighted mean	Verbal interpretation
1	The board of directors approves a competitive wage and salary plan plus the benefits packages for their staff	3.62	Often
2	The board of directors coordinates and facilitate activities of cooperatives	4.08	Often
3	The board of directors employs and appoint personnel based on merit and fitness	4.24	Always
4	The board of directors establishes the function or definite endeavor essentially to attain a set of defined goals and objectives	4.10	Often
5	The board of directors furnishes physical facilities and equipment/tools necessary in the efficient operation of the cooperatives	4.06	Often
6	The board of directors groups all the cooperative's resources, both physical and human, according to their functions	4.26	Always
7	The board of directors makes sure that the physical assets are grouped in the most appealing method for the members and non-members	4.18	Often
8	The board of directors organizes pre-membership seminars both for the officers and members	4.10	Often
9	The board of directors performs their roles in human resource activities through hiring a competent manager and staff and designing the overall organizational structure	4.35	Always
10	The board of directors reassures affiliation in the cooperatives	4.15	Often
11	The board of directors undertakes activities for the efficient and effective implementation of the provisions	4.11	Often
12	The manager develops personnel organization charts that show employee relationships	4.08	Often
13	The manager hires, trains, and makes work assignments for the employees	3.39	Sometimes
14	The manager is responsible for grouping operational processes, assets, and establishing their relationships for the efficient day-to-day business operations	4.14	Often
15	The manager writes the job description of each employee and establishes acceptable levels of performance	4.11	Often
	Average weighted mean	4.07	Often

activities through hiring a competent manager and staff and designing the overall organizational structure (WM = 4.35). As everyone knows, the board of directors has the authority to recruit and fire management teams as well as to compensate them, which assists to address conflicts of interest among decision-makers and residual risk bearers (Baysinger and Butler, 2016).

In addition to this, the participants cited that the board of directors always groups all the cooperative's resources, both physical and human, according to their functions (WM = 4.26). The basic concept behind this is that organizations can use board members to control or secure essential resources in their working environments (Pfeffer and Salancik 1978) [31]. Baarda (2002) [28] noted that directors need to grasp the strengths and limitations of the cooperative and make judgments based on a complete understanding of the resources and personnel of the cooperative to make use of them for the best benefit of the members in a successful cooperative.

Likewise, the respondents assumed that the board of directors always employs and appoints personnel based on merit and fitness (WM = 4.24). Opportunity in every organization shall be open to all qualified individuals and personnel, and positive efforts shall be exerted to attract the best qualified to enter the service. Employees shall be selected based on fitness to perform the duties and assume the responsibilities of the positions (GOVPH, 1987) [32].

On the other side of the fence, the participants revealed that the responsibility of the manager to hire, train, and make work assignments for the employees is occasionally being performed (WM = 3.39). As managers, they should strive to establish a tight relationship with their staff to the point where they must be hands-on in providing additional training and job assignments. But too often, a manager's role in training and giving work assignments is being overlooked (Andriotis, 2018) [33]. Because managers spend so much time with their staff, their involvement in training and development is fundamental. Simple daily interactions can be used by managers to demonstrate to staff that training is a top priority. It's about having control over the work process, which some managers could compare to supervision (Cappelli and Keller, 2013) [34]. Moreover, the board of directors often approves a competitive wage and salary plan plus the benefits packages for their staff (WM = 3.62). There is now recognition that many boards of the cooperatives have employed compensation arrangements that do not serve members' interests (Bebchuk and Fried, 2004) [35]. High levels of management and staff compensation have sparked a heated discussion about whether compensation is primarily based on market competition for managerial services or on managerial overreach (Gordon, 2004) [36].

It can be garnered from the data (Table 4) that the majority of the participants stated that based on their experiences, the manager takes full responsibility for staffing, training, and mobilizing the personnel under their supervision (WM = 4.57). Both the board of directors and the managers are involved in the cooperative management process and activities such as planning, organizing, directing,

Table 4. Management practices in terms of directing.

No.	Statements/observations	Weighted mean	Verbal interpretation
1	The board of directors approve membership applications and make recommendations on the day-to-day operations	4.03	Often
2	The board of directors conserves effective communication among coop members officers and employees	4.12	Often
3	The board of directors delegate responsibility with the appropriate authority and predetermined measures of accountability	4.36	Always
4	The board of directors disseminates to members, officers, and employees regarding significant developments or activities of the organization.	4.14	Often
5	The board of directors engages in contract negotiation	3.98	Often
6	The board of directors focuses on approving short-term and medium-term plans of the manager	4.13	Often
7	The board of directors gives rewards or incentives to deserving members, officers and employees for reasonable cause.	4.06	Often
8	The board of directors organizes at least once a month regular meetings for the members of the board and yearly general assembly for the members	4.12	Often
9	The board of directors review reports and decide on long-term plans	4.42	Always
10	The board of directors set well-defined, clearly understood, and consistently administered policies	4.15	Often
11	The board of directors supervises regular performance evaluation of employees	4.09	Often
12	The manager coaches and leads the employees, members, and customers of the cooperatives	4.10	Often
13	The manager creates positive employee working conditions and acts as liaison and spokesperson for the cooperative business	3.74	Sometimes
14	The manager is responsible for internal and external interpersonal relationships of the cooperative	4.14	Often
15	The manager takes full responsibility for staffing, training, and mobilizing the personnel under their supervision	4.57	Always
	Average weighted mean	4.15	Often

staffing, and controlling. They both need to understand their three responsibilities and authorities and they need to work together as a team for a cooperative to be successful (Cobia, 1989) [37].

Also, the board of directors always reviews reports and decides on long-term plans (WM = 4.42). The board of directors is an organization's highest-ranking decision-making body and the ultimate custodian of its members' interests; as a result, they must be actively involved in assessing reports and long-term plans for the benefit of their stakeholders (Bommaraju *et al.*, 2019) [38]. While management teams are in charge of ongoing decision management, the board of directors is in charge of decision control, which entails monitoring and analyzing management decision-making and performance (Fama and Jensen, 1983) [39].

Furthermore, it is believed by the respondents that the board of directors always delegates responsibility with the appropriate authority and predetermined measures of accountability (WM = 4.36). The board of directors must delegate work to competent personnel carefully and responsibly. The board has to make sure that any task assigned to any accountable officer, staff, or committee is carried out in an appropriate manner (Sedo, 1986) [40].

On the other side of the coin, the respondents revealed that as per their observation, their board of directors or manager is occasionally performing the following tasks: the manager's responsibility to create positive employee working conditions and acts as liaison and spokesperson for the cooperative business (WM = 3.47) and the board of directors duties to engage in contract negotiation. The board of directors and managers are in a position to establish the parameters around the strategic decision-making process (Old *et al.*, 2006) [41]; and so, they must be adaptable in all elements of the organization's operations.

From the data in **Table 5**, the respondents supposed that based on their observation, the manager always ensures satisfactory performance in all phases of the business (WM = 4.42). It is the responsibility of the cooperative's management team to perform all the management functions in their organization to the quality of its operations. It has been highlighted that management is the primary force within organizations for coordinating people and physical resources and that managers are the ones who are accountable for the overall success of the organization (Kast & Rosenzweig, 1972) [42].

On top of that, the manager always executes board policies in the cooperative (WM = 4.40) based on the respondents' point-of-view. Indeed, managers should adhere to policy to the greatest extent possible because they are also setting a good example for all stakeholders in the organization (Baginsky *et al.*, 2010) [43].

Additionally, the board of directors always accept and approve management reports and review financial statements (WM = 4.29) as stipulated by the participants of this study. The financial statements of a corporation must be approved by the board of directors, and they must be signed by at least two members of the board (Lanfranconi & Robertson, 2002) [44].

Furthermore, it has been noticed that the board of directors always exercises

Table 5. Management practices in terms of controlling.

No.	Statements/observations	Weighted mean	Verbal interpretation
1	The board of directors accept and approve management reports and review financial statements	4.29	Always
2	The board of directors complies immediately with the orders and directives of the Cooperative Development Authority	3.92	Often
3	The board of directors ensures acceptable performance in all phases of the business	4.20	Always
4	The board of directors exercises control of the cooperative by keeping themselves informed of the progress of the business	4.25	Always
5	The board of directors interpret trends and results and know when to initiate corrective actions	4.15	Often
6	The board of directors makes sure that standards set are met	4.15	Often
7	The board of directors makes sure that they submit the annual and audited financial reports to the Cooperative Development Authority	4.03	Often
8	The board of directors prevent unauthorized actions and keep the members informed of the progress of cooperatives	4.15	Often
9	The manager ensures satisfactory performance in all phases of the business	4.42	Always
10	The manager ensures that they maintain good and sound financial ratios	4.11	Often
11	The manager executes board policies in the cooperative	4.40	Always
12	The manager keeps an inventory management control system over the assets of the cooperative	3.98	Often
13	The manager measures and evaluates the results of the employee performance	4.13	Often
14	The manager must take corrective actions with regards to the unmet goals and objectives	3.96	Often
15	The manager oversees the physical assets that are critical in accomplishing their cooperative's goals and objectives	4.15	Often
	Average weighted mean	4.15	Often

control of the cooperative by keeping themselves informed of the progress of the business (WM = 4.25). The boards of directors are in charge of overseeing the systems and processes that manage, control, and govern the organization's strategy, leadership decisions, regulatory compliance, and overall performance, as well as the overall performance of the business (Mowbray, 2014) [45].

Likewise, the board of directors always ensures acceptable performance in all phases of the business (WM = 4.20) as experienced by the respondents. Organizations reap a variety of benefits from effective performance management practices. The board of directors and managers are being told something they may not have heard before: that they are responsible for the performance of the employees who work under them, and that it is their responsibility to manage them by setting objectives that are linked to the overall strategy, monitoring their performance, and providing them with support and feedback as well as opportunities to develop (Manyaka & Sebola, 2012) [46].

On the other side of the picture, the participants exposed that as per their observation, their board of directors or manager is occasionally performing the following responsibilities: the board of directors duties to comply immediately with the orders and directives of the Cooperative Development Authority and the manager task to take corrective actions with regards to the unmet goals and objectives (WM = 3.96). As members of a significant governing body with official authority and legal responsibility to protect members' collective interests, cooperative board members must promptly comply with the Cooperative Development Authority's instructions (Bijman *et al.*, 2013) [47]. At the same time, the managers must review their previously established cooperative objectives and identify those objectives that are not being met by the cooperatives to take corrective action as needed (Mina, 2019) [30].

4. Conclusions

1) Majority of the surveyed cooperatives are multipurpose in nature. Participants of this study are members of the cooperatives for six to ten years now.

2) Management of cooperatives surveyed possess good planning practices as the board of directors are highly involved in developing strategic plan consists of systematic ways to achieve the goals and objectives of the cooperative. In terms of the organizing function, the board of directors being the highest policy-making body of the cooperatives is involved in hiring essential and skilled cooperative personnel. In addition, the executives of the cooperatives take full responsibility for training and motivating the office staff and other personnel as part of the directing function of the cooperatives' management. Lastly, in terms of control, the board of directors and managers ensure excellent results on every endeavor of the cooperatives through effective monitoring and control systems including financial and management reports.

5. Recommendation

1) The cooperatives should continue holding dialogue to all its members to

Table 6. Proposed sustainable development plan in terms of management functions.

Sustainable development	Objectives	Strategy	Specific activities	Responsible unit/person	Time frame
Planning					
The top management must have clear communication and bright point-of-view regarding the operational level up to the managerial level to identify the best course of actions and undertakings to be incorporated in the policy of the organization	To create a good policy statement for the betterment of the operational and organizational flow	Evaluate the effectiveness and usefulness of a certain policy	Policy evaluation	Executive Committee Supervisors of different department and division	Quarterly
Synergy entails collaboration that results in high production	To attain an additional number of board members	The organization must set specific quality standards for selecting additional board members	Screening and selection	The Executive Committee	Annually
Cash is the most liquid asset, thus, monitoring, protecting, and securing the cash flow is a must in every organization to sustain the growth and operational development of the organization	To monitor the cash inflow and outflow	The organization must hire competent and trustworthy accounting employees to monitor the financial flow constantly	Monitoring and outsourcing of external audit services	The accounting office The external auditor	Annually
Organizing					

Continued

Manpower the human asset of every organization, however, it is true that these individuals must be paid in just compensation to motivate and enhance their productivity	To promote a healthy environment	Assess the capability of the Organization to adjust the salaries and wages of the employees without jeopardizing the margin of profit	Balance the trade-off of profit and salary expenses	The Executive Committee The Accounting Department	As necessary
Job dissemination and a well-defined job description is the to achieve the goals and objective of the organization	Well defined job description	To define the job description and to identify the intellectual, personal, and mental capability of the employee to realign them accordingly	Jon enrichment and job specification job rotation	The Human Resource Development Department	Every six months

Directing

The CBA, also known as the Collective Bargaining Agreement plays a vital role in the organization, hence this undertaking will give some sort of opportunity to the employees of the organization to express their sentiment and wishes to the management to maintain positive working conditions	To create a harmonious relationship between the management and the company's stakeholders	Implement as CBA for the employees to express their wishes and problems	Bargaining and collaborative discussion	The Human Resource Department The Accounting Department The Executive Committee (except the President or the Leader that plays under to the most powerful office in the organization)	After the implementation of the previous agreement
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Controlling

Continued

The top management must comply with the rules and regulations imposed by the external bodies	To create a harmonious relationship between the company and the government	Identify the proceedings and the circulars imposed by the external agencies	Monitoring of provisions and new acted rules and regulations	The Executive Committee	Regularly
The total quality management imposed a certain theory called "PDCA" which is technically an abbreviation of plan, do, check, and action	To take corrective actions and to eradicate the malpractices of the organization	Evaluation of the current business practices	Monitoring and evaluation	The Executive Committee	Regularly

address issues and concerns confronting the cooperatives. The board of directors and key officials should maintain transparency of records of the financial status of the cooperatives.

2) The cooperatives should continue to work and seek constant guidance with the Cooperatives Development Authority in order to stay grounded in the principles, values and practices of cooperatives.

3) The proposed sustainable development plan in terms of management functions (Table 6) created by the researchers of this study should be considered to improve the management practices of both the members of the board and the management staff which will lead to the competitiveness of the organization. This plan can be used by any cooperative in the globe, not only those in the Philippines.

Conflicts of Interest

The authors declare no conflicts of interest.

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