



The Impact of Organizational Commitment on the Financial Performance of CDA-Registered Cooperatives Among State Universities and Colleges in Panay Island, Philippines

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Abstract : This is a descriptive-correlational study on the nine CDA-registered SUC cooperatives with a total of 2,622 members, and randomly selected 348 respondents, but only 314 answered and returned the questionnaires. The instrument was two - part researcher-made questionnaire. The statistical tools used were, frequency, percentage and mean. For analysis of relationship, Chi Square and Gamma coefficients were used, whichever was appropriate for the objectives. The hypotheses were tested at 5% level of significance. Majority of respondents are members, BOD/Committee members or chair, and, with the coop for 15 years or less. The respondents as a whole have moderate organizational commitment where it prevailed among respondents in the continuance and normative aspects. High organizational commitment was obtained in the affective aspect. Only age has significant relation with organizational commitment. All the rest in the personal-related factors has no significant relationships with organizational commitment. There were no significant relationships between position of respondents in coop, length of membership, and number of dependents and organizational commitment and financial performance. In contrast, there was a significant relationship between age and financial performances. There was a significant relationship between organizational commitment and financial performances. In conclusion, personal-related factors, position, length of membership, number of dependents, have no bearing with the organizational commitment and financial performance. In contrast, age of respondents has bearing with the organizational commitment. However, gross family monthly income has bearing with the financial performance of coops. And lastly, organizational commitment of coop members has substantial relation with financial performance.

IndexTerms - Organizational commitment, CDA-registered cooperatives, financial performance, personal-related factors, coop-related factors, COOP-PESOS

INTRODUCTION

In this period when total equitable and sustainable development is the norm in nation-building, the concept of cooperativism plays an apt and major role. Central to this concept is the focus on the economic growth of the individuals acting as one in a common economic endeavor. Moreover, this income is augmented by an income in the form of refund according to the individual's patronage in the purchase of commodities and/or services being offered by the business (ILO 2001 ; Coop Code of the Phil.Of 2008 - R.A. 9520).

For reasons of having common bonds, interests and needs among people, and other practical considerations, cooperatives have been widely organized and have thrived and flourished in specific workplaces. Common among these workplaces are academic institutions such as State Universities and Colleges (SUCs). University cooperatives dated back much further than school cooperatives. It started at Harvard University in 1882 by graduate students pooling their resources for the purchase of textbooks and other necessities. Then the idea spread across the United States and Canada, and later in Asia.

The best student cooperatives are in Japan (ILO 2001; Abasolo, et.al. 1996). In the Philippines, the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic justice was mandated by Republic Act No. 9520, known as the Philippine Cooperative Code of 2008, which amended the previous Cooperative Code of the Philippines. Considering the provisions of RA 9520 and realizing the benefits derived from cooperativism, the SUCs in Panay organized and set up their cooperatives which at present had operated for a number of years.

The financial performance of CDA - registered cooperatives among SUCs in Panay Island certainly vary and there are factors which contribute to this. Whether or not these factors are common to the coops of the different SUCs in Panay is something to contend with.

Notwithstanding, reports from literature, appeared that four major variables could be cited as determinants of the financial performance of SUC cooperatives. However, for this study, the author considered personal circumstances and commitment of the members and officers only. Whether or not these variables influence the financial performance of the CDA -registered cooperatives among SUCs in Panay was established in this study. The Philippine government is encouraging government employees to organize cooperatives in their respective agencies to augment their meager income, in the light of the fact that increases in salary could not be sustainably met by the government. This fact is very true to State Universities and Colleges, a reason why most of these institutions had set-up their own cooperatives which at present are in various stages of developmental operations.

Some coops of SUCs in the country are successful while others are not. One of the most successful and the largest State University cooperatives in the Philippines is the Los Baños Credit and Development Cooperative (UPLBCDC, 2011). In Western Visayas, the most sustainable and stable – operated State University faculty and staff cooperative is the West Visayas State University Multi-Purpose Cooperative (WVSUMPC) at Lapaz, Iloilo City(WVSUMPC Annual Report 2010-2012).

Notwithstanding, success of some SUC cooperatives, there were those who failed the expectations of an organization operated by academicians (Atienza, 2010). Bisnar (2007), identified the causes of success and failure of two cooperatives in Kabacan, North Cotabato. Findings revealed that the factors that immensely influenced the failure of Christ the King Multi-Purpose Cooperative and Kabacan Polymedic Cooperative Hospital were the lack of: (1) monitoring of inputs and outputs of the cooperative; (2) the lack of competent and trusted leaders; and, (3) the lack of education drives for members of the cooperative. For a cooperative to become successful, it should follow the four principles of cooperatives which are: (1) open and voluntary membership; (2) democratic member control; (3) member economic participation ; and, (4) continuing cooperative education and training.

It is generally believed that coops of academic institutions perform comparably better than coops of other groups not only because the members are knowledgeable and trustworthy but management –wise fare better than others. Other SUC's who have not organized yet their cooperatives may find the information generated by this study useful in deciding on putting up their own coop.

Knowing the factors that lead to excellent performance of the CDA registered coops may motivate them to act positively towards cooperativism particularly so if they believe that they can have control of these factors by themselves. An added incentive to setting up coops in school is the convenience of access to aspired goods and services because of the non-existence of the organization in their campus. Any gaps in this study, may be utilized by future researchers to formulate related investigation in order to add new knowledge to the operation of cooperatives, the success of which is quite elusive for other groups.

The study of Fulton and Giannkas (2001), revealed that the issue of member commitment in the context of a mixed oligopoly where co-ops and investor-owned firms IOFs) compete with each other in supplying a consumer good. Member commitment is linked to the coops' ability to develop a reputation as an effective agent for the members.

Northcraft and Neale (1996) considered commitment as an attitude reflecting an employee's loyalty to the organization, and an ongoing process through which organization members express their concern for the organization and its continued success and well being.

On the other hand, Mowday, Porter, and Steers(1983) see commitment as attachment and loyalty. They describe commitment into three components which are:(a) an identification with the goals and values of the organization; (b) a desire to belong to the organization; and, (c) a willingness to display effort on behalf of the organization.

Salancik according to Brown (2003), however, believed that commitment is a state of being in which an individual becomes bound by his actions and it is these actions that sustain his activities and involvement. According to Walton (2007), commitment is the individual's psychological attachment to the organization.

Scientists of organizational behavior tried to develop many definitions and discussions on organizational commitment. Among them are Meyer and Allen (2007) who believed that organizational commitment is the individual's psychological attachment to the organization. A three-component model of commitment that corresponds with different psychological states was developed. According to the model there are three 'mind sets' which can characterize an employee's commitment to the organization: Affective; Continuance; and, Normative.

Affective Commitment(AC) – is defined as the employee's positive emotional attachment to the organization, a "desire" component of organizational commitment. In this mind set, the employee strongly identifies with the goals of the organization and desires to remain a part of the organization. This is influenced by demographic characteristics such as: age, tenure, sex, and education (but these are neither strong nor consistent) as articulated by Mowday, Porter, and Steer's (2006) concept of commitment.

Continuance Commitment (CC) – this is the "need" component or the gain versus loss of working in an organization. "Side bets," (availability of other alternatives such as: another organization, disrupt personal relationships) or investments, are the gains and losses that may occur should an individual stay or leave an organization. Things like economic costs (such as pension accruals) and social costs (friendship ties with co-workers) would be the costs of losing organizational membership. However, "side bets" don't occur at once but that they "accumulate with age and tenure".

Normative Commitment (NC) – the individual commits to and remains with an organization because of feelings of obligation. These feelings may derive from a strain on an individual before and after joining an organization. Examples of this are the trainings invested by the organization for the individual and professional development investment for a higher position. The employee feels a “moral” obligation “to repay the debt”.

Brown (2003), citing Becker, Randal, Northcraft, Neale, Mowday, Porter, Steers, Salancik, Guest and Reigel, categorized organizational commitment to be either (a) a strong desire to remain a member of a particular organization; (b) a willingness to exert high levels of efforts on behalf of the organization; or (c) A defined belief in and acceptability of the values and goals of the organization. She further opined that commitment is an attitude reflecting an employee’s loyalty to the organization, and an ongoing process through which organization members express their concern for the organization and its continued success and well - being.

Organizational commitment is determined by a number of factors, including personal factors (e.g., age, tenure in the organization, disposition, internal or external control attributions); organizational factors (job design and leadership style of one’s supervisor); and non-organizational factor specifically the availability of alternatives. Brown (2003), in her study, reported that organizational commitments significantly related to trust, job involvement, and job satisfaction.

Earlier works of Angle and Perry (1981) uncovered a relationship between commitment and turnover while Wiener and Vardi (1980) reported positive correlations between commitment and job performance. On the other hand, employees who participated more in the decision-making (Jermer and Berkes,1979) and those treated with consideration (DeCotiis and Summers ,1987) displayed greater levels of commitment to the organization.

Bycio, Hackett, and Allen (1995) reported positive correlations between normative commitment with leadership behaviours and charisma, intellectual stimulation, individualized consideration, and contingent reward and affective and continuance.

Brown’s study (2003) mentioned Guest’s conclusion that high organizational commitment is associated with lower turnover and absence, but there is clear link to performance. Commitment according to Guest is broader in concept and tends to withstand transitory aspects of an employee’s job. It is possible to be dissatisfied with a particular feature of a job while retaining a reasonably high level of commitment to the organization as a whole.

Luthans (1998) contended that satisfaction causes commitment of individuals in the organization. Further, he opined that there is a positive relationship between organizational commitment and desirable outcomes such as high performance, low turnover, and low absenteeism.

Authorities in Organizational Behavior believe that the success of organizations be it profit or non-profit oriented depends on the whole-hearted (committed) participation of members of the system with flexibility in times of changes in both the internal and external environment confronting them (Sekaran, 2004).

On the other hand, financial performance of every organization depicts how the organization is being managed or how the organization is operating. Financial performance includes those associated with growth in revenues; growth in earnings; higher dividends or patronage refund for cooperatives; larger profit margins; greater return on investment; higher earnings per share; a rising stock price; improved stock flow. Financial performance of an organization is measured quantitatively with the use of Financial Ratios and Analysis. The financial data as basis for the measurement are the Income Statement, Balance Sheet and the Cash Flow Statement (David, 2011).

NEED OF THE STUDY

This study aimed to determine the impact of organizational commitment with the financial performance of CDA - registered cooperatives among State Universities and Colleges (SUCs) in Panay Island, Philippines. Specifically, this study aimed to: (1) determine the personal- and coop-related characteristics of the members; (2) determine the organizational commitment of the members; (3) determine the financial performance of the CDA- registered cooperatives among the SUCs; (4) determine whether or not there is a significant relationship between the personal-and coop-related factors and organizational commitment of members; (5) determine whether or not there is a significant relationship between the number of dependents, gross monthly income, and length of coop membership and financial performance; and, (6) determine whether or not there is significant relationship between organizational commitment and financial performance.

The focus of this study was to determine the impact of organizational commitment with the financial performance of the CDA registered cooperatives among SUCs in Panay Island. Furthermore, this study ascertained the relationships among personal and coop-related factors and organizational commitment with financial performance of these CDA registered coops of SUCs in Panay Island, Philippines.

Theoretical framework

Two theories taken from management literature were adapted namely, the Slack Resource Theory and the Good Management Theory resource-based perspective competitive advantage (Miles, et al, 1977; Covin, J.G. 2000 ; & Munilla, L.S. 1997). According to Slack Resource Theory, an organization is able to carry out its activities because of the resources it owned, which have been normally dedicated to the predefined activities. The resource needed by the organization to successfully adapt is slack in nature, that is, any available or free resource (financial and other organization resource) used to attain the organization’s goal.

The attainment of organizational goal as preordained by the slack resources theory is assured with Good Management Theory in operation. The Good Management Theory supposes that an organization should try to satisfy its stakeholders without presupposing its financial condition in order to maintain good image and reputation. Essentially, the theory encourages managers or heads of an organization to continuously seek better ways to improve the competitive advantage, which ultimately can enhance financial performance. Good Management Theory proponents also suggest that good management practice will improve the organization’s financial performance.

Conceptual framework

It was conceptualized by the author that the perception of the coop members and coop management of financial performance of the CDA registered cooperatives among SUCs in Panay Island is determined by their perception of the personal and coop – related factors and organizational commitment of coop members (members and management). The researcher believes that financial performance which is the dependent variable of the study is related with the personal and coop – related factors and organizational commitment of the members . In determining the relationships of personal- and coop-related factors and organizational commitment of the members with the financial performance of cooperatives, good management theory and slack resource theory of Miles et al. (1977) and the CDA Memorandum Circular No. 2009-04, Series of 2009 of which Memorandum Circular No. 2003-2004, Series of 2003 is a part specifically the Subject on Performance Standards for Credit and other Types of Cooperatives with Credit Services (COOP-PESOS) analysis particularly PESOS that pertains to the analysis of the financial performance of cooperatives were used. This study considered the financial performance of the cooperatives for the period 2010, 2011, and 2012 only.

According to Fauzi and Idris (2009), integrating the concept of CSR (Corporate Social Responsibility of which the organization ‘s management ,members and the overall organizational operation are a part of) and CFP (Corporate Financial Performance) under the good management theory of Miles et al.(2000), there is a positive relationship between CFP and CSR under the slack resource theory and under good management theory. Likewise, mentioned in the study also are the studies of Cochran and Wood (1984); McGuire et al. (1988 & 1990); Aupperle et al. (1985) that, CSR does depend on financial performance and that organizations with strong financial performance may have greater freedom to invest in positive CSP. And, better CSP may lead to improved financial performance, ceteris paribus. This shows that the higher the commitment, the better the financial performance of the organization. Figure 1. presents the Framework of the Study.

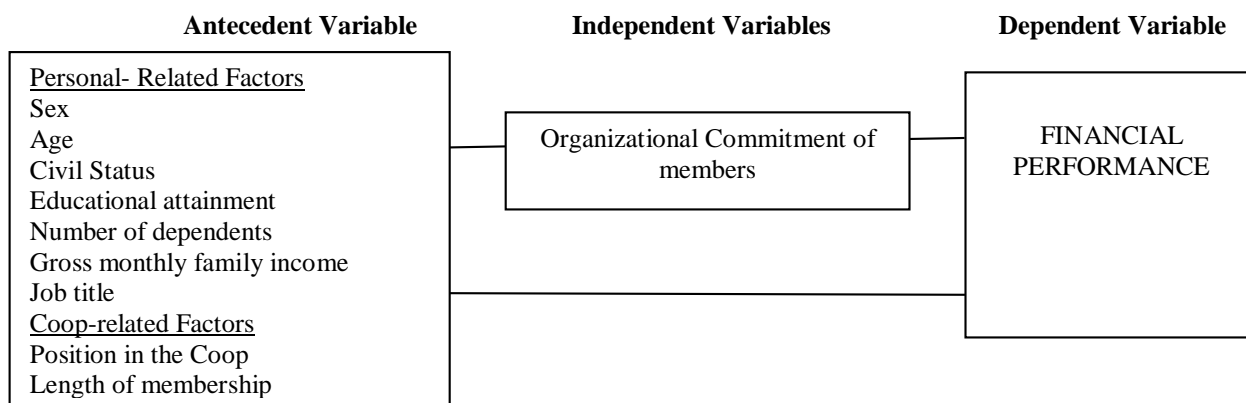


Figure 1. The Paradigm Shows the Relationships Among the Personal – Related and Coop – Related Factors and Organizational Commitment of Coop Members with the Financial Performance of the CDA Registered Coops Among the SUCs in Panay Island

Definition of Terms

For the purpose of better understanding this study, “Personal – related factors” refers to the characteristics of the coop members as natural persons (Phil. Coop. Code of 2008). This relates to somebody’s personal life; relating to the parts of somebody’s life that are private (Encarta Dictionary). In this study it pertains to the personal characteristics of the coop members such as: sex, age, marital status, highest educational attainment, number of dependents in the household; gross family monthly income; and job title in the University/College.

While “Coop – related factors” refers to the characteristics of the coop members as related to his/her being a member of the coop (Encarta Dictionary) . In this study, these are the position in the coop as part of the coop management to mere member, and the length of membership which is categorized as 1 – 15 years; 16 – 30 years; and 31 years – above.

Organizational commitment on the other hand, refers to the attitude or a state of being or the individual’s psychological attachment to the organization reflecting an employee’s loyalty to the organization bound by his actions and it is these actions that sustain his activities and involvement and or attachment to the organization (Northcraft and Neale, 1996; Brown, 2003; Walton, 2007). In this study, it refers to the degree of involvement of participation of CDA registered MPC members in the attainment of its goals and values; a desire to belong to the cooperative; and, a willingness to offer time and effort for the good of the cooperative. Organizational commitment is classified as Affective Commitment (AC); Continuance Commitment (CC); and, Normative Commitment (NC).Organizational commitment will be categorized as high, moderate or low based on the mean scores(Brown 2003 ; Meyer & Allen 2007).

Further, Financial Performance refers to the quantitative measurement and evaluation of the overall financial operation of the organization with the use of financial ratios and analysis (David 2011).

In this study it refers to the past three-year financial performance of the cooperatives using the indicators on financial performance (PESOS) where : P- Portfolio Quality(25%) which is composed of the ratios on Portfolio at Risk and Allowance for Probable Losses on Loans; E – Efficiency that measures Asset Yield, Operational Self-Sufficiency, Rate of Return on Members’ Share, Loan Portfolio Profitability, Cost Per Peso Loan, and Administrative Efficiency; S – Stability for which involves the measures of Solvency, Liquidity, and Net Institutional Capital; O- Operations and this is on the ratios on Performance on Membership Growth and Trend in External Borrowings; S – Structure of Non Earning Assets/Total Assets of which finally measures the Total Deposits/Total Assets, Net Loans Receivable/Total Assets and Total Members’ Share Capital/Total Assets scores Financial Performance was Very Good if the total score ranged from 64 to 70; Good if it is from 58 to 63; Fair, if the score range is from 52 to 57; Poor, if the score range is 46 to 51 and Very Poor if the score range is 45 or lower. For the purpose of this study, the author enumerates the conceptual definitions of each PESOS content as shown below:

Cooperative Development Authority(CDA) pertains to the government agency in charge of the registration and regulation of cooperatives in the Philippines created on March 10,1990 through Republic Act 6939. Through this agency the formulation of cooperatives in the programs of government departments, branches, subdivisions and instrumentalities has been legally assured. The law added that they must be provided with “appropriate and suitable incentives.” CDA is responsible in developing and conducting management and training programs for members with (1) entrepreneurial capabilities; (2) management expertise; and (3) technical skills for efficient cooperative operation. The focus of CDA’s technical training is on: (1) agrarian reform; (2) management expertise; and, (3) economically-depressed sectors, such as government employees (2008 Coop Code of the Phil. R.A. 9520) .

RESEARCH METHODOLOGY

The analysis of the financial performance covered the last three – year operation from 2010, 2011 and, 2012 of which the SUC coops were still following the old financial reporting format required by the CDA. The research design was descriptive – correlational and one shot survey method followed in the data collection. The respondents of the study are the cooperative members who were identified using the sampling formula for “n”. The statistical tools used were descriptive statistics, frequency, percentage and mean. Chi-square test for independence or Gamma coefficient were used in the analysis of relationship whichever is more appropriate. The level of significance is .05 alpha.

The subjects of the study were the randomly selected coop members using the formula $n = N/1 + N(.05)(.05)$. the respondents were chosen using the “fishbowl technique”.

The research instrument is composed of a 2-page questionnaire for the independent variables. The audited financial reports together with the published Annual Reports for 2010, 2011, and 2012 were secured by the researcher. The researcher sought student assistance in administering and gathering the research instrument. The researcher explained and briefed the student assistants in the administering and in the gathering of instruments.

The financial performance analysis was done using the CDA Memorandum Circular 2009 - 04, series of 2009 on credit performance of coops. This CDA Circular Memo 2009 – 04 is composed of the overall performance evaluation system of the coop for its non-financial operations which is 20 percent (COOP) and for the financial operations on credit activities (PESOS), a rating of 80 percent has been given for a total of 100 percent. Since this study evaluates only the financial performance of the coops, the researcher multiplied the total ratings by 80 percent. The financial performance of the CDA-registered cooperatives among the SUCs in Panay was based on PESOS of the CDA indicators of financial performance. PESOS is 80 percent of the total 100 rating scheme of the CDA. Thus, all total points of the nine CDA registered coops of SUCs in Panay Island were multiplied by 80 percent. The same rating scheme was followed for the purpose of this study which is: 80 percent of the Rating System as follows : 80 % x (96 – 100) “Very Good”; 80% x (90 – 95) “Good”; 80% x (80 – 89) “Fair”; 80% x (70 – 79) “Poor”; 80% x (below 70) “Very Poor”. PESOS stands for Portfolio Quality (P), Efficiency (E), Stability (S), Operations (O) and Structure of assets (S). This is the indicators on financial performance (PESOS). PESOS stands for : P-portfolio at risk; E-efficiency; S- stability; O-operation; S- structure of assets. Each component has corresponding category with corresponding formula for each category. The corresponding standard points for each ratio were totaled and rated.

The statistical analysis for the independent and intervening variables were further compared with the computed financial performance ratings to further test the relationship of statistical analysis with the financial performance of the SUCs coops.

This study made use of the descriptive-correlational research design. Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. This study intended not only to describe the determinants of financial performance which are the personal- and coop-related, organizational commitment, innovativeness and leadership style but also tried to establish the association of these variables to financial performance. Therefore the design is deemed appropriate for the purpose.

Involved in this study are the coop members of which part are also the members of the BOD and coop managers in the campuses of the State Colleges and Universities in Panay as listed in Table 1. The sample size was computed using the formula as shown below (Parel, et al, 1985):

$$N$$

$$n = \frac{1 + N(\alpha)^2}{1 + N(\alpha)^2}$$

where,

N = Population of Coop members among the SUCs in Panay

n = Sample size

1 = Constant

α = Margin of error set at .05

This descriptive-correlational study dealt with the impact of organizational commitment on the financial performance of Cooperative Development Agency (CDA)-registered cooperatives among SUCs in Panay, Western Visayas Philippines. There were nine CDA-registered cooperatives in nine SUCs in Panay with a total of 2,622 members. Of these members 348 were taken as respondents of the study, proportionately distributed among the nine Cooperatives. The instrument used was a two - part questionnaire, duly validated by a panel of jurors and tested for reliability. The statistical tools used were descriptive statistics namely, frequency, percentage and mean. For analysis of relationship, Chi Square and Gamma coefficients were used, whichever is appropriate to the analysis called for by the objectives of the study. The hypotheses were tested at 5% level of significance.

The computed sample size was 348 AS SHOWN IN Table 1 below, randomly and proportionately allocated among the members of the CDA registered coop of the SUCs in Panay. In as much as the researcher wanted to collect all data based on the computed sample size, yet, the problems were encountered in the retrieval of the questionnaires. Some respondents refused to answer the questionnaire and some have lacking data to process. The number of questionnaires retrieved was only 314, but, the researcher was advised to continue interpreting the data using the number of samples collected. And, Table 1 showed the number of respondents included in the study.

Table 1. List of SUC's in Panay with CDA Registered Cooperatives

State Universities and Colleges	Coop No.	Population of Coop Members	Sample Size (n)	Actual Collected Sample (n)
UPV Employees Coop University of the Philippines Visayas, Miag-ao, Iloilo and Iloilo City Campuses	01	626	83	57
Capiz Agro-Fishery Service Development and MPC CapSU Cmpd., Bailan, Pontevedra, Capiz	02	95	13	11
CapSU MPC, CapSU, Burias, Mambusao, Capiz	03	93	12	11
25-Peso MPC (Aklan State University, Banga, Aklan)	04	287	38	38
Northern Iloilo Polytechnic State College (NIPSC) MPC, NIPSC Estancia, Iloilo	05	190	25	23
WVSU MPC, West Visayas State University, LaPaz, Iloilo City	06	467	62	61
ISCOF MPC, Iloilo State College of Fisheries, Tiwi, Btc. Nuevo, Iloilo	07	188	25	23
WVCST MPC, Western Visayas College of Science and Technology (WVCST)	08	400	53	53
CIT-Capiz MPC –Capiz State University (CapSU), Roxas City	09	276	37	37
TOTAL		2622	348	314

Note: Column 1 represents the total regular members for each of the nine (9) cooperatives.
Column 2 represents the total samples collected for each of the nine cooperatives.

The financial performance of the CDA-registered cooperatives among the SUCs in Panay was based on standard PESOS of the CDA indicators of financial performance. PESOS was based on the 80 percent of the total 100 percent of the rating scheme of the CDA for both the compliance to administrative requirements and management. The remaining 20 percent served as the indicator on financial performance of the PESOS.

Portfolio quality constitutes 25 percent of the PESOS requirement. It includes PAR, APL, and APLL 12 months past due. Efficiency is the second category with a total corresponding points of 20 percent distributed as follows: asset yield (4 - 0); operational self-sufficiency (4 - 0); rate of return on member's share (4 - 0); loan portfolio profitability (4 - 0); cost per peso loan (2 - 0); and administrative efficiency (2 -0). Stability is given a total point of 30 percent divided among the 3 sub-categories as follows: solvency with points ranging from 10 - 0; liquidity with points ranging from 10 - 0; and net institutional capital with points from 10 - 0. For this category the highest point is 10 and the lowest is 0. Operation is given total points of 10 percent. This category is composed of performance of membership growth (5 - 0 points); and, trend in external borrowings (5 - 0 points). Structure of Assets include asset quality (5 - 0); and asset structure (5 - 0).

RESULTS AND DISCUSSION

The financial performances of CDA-Registered Cooperatives in SUCs in Panay Island. Results of the survey show that 2 out of the 9 registered cooperatives included in the study have poor financial performance which were composed of Coop 1 (Mean = 60.83%) and Coop 2 (Mean = 58.04%). Table 2 also shows that registered cooperatives with very poor financial performances are Coop 3 (Mean = 52.44%), Coop 4 (Mean = 37.40%), Coop 5 (Mean = 45.62%), Coop 6 (Mean = 46.20%), Coop 7 (Mean = 52.05%), Coop 8 (Mean = 47.92%), and Coop 9 (Mean = 44.05%).

Table 2. Financial Performance of the CDA- Registered Cooperatives Among the SUCs.

Coop No.	CDA- Registered Cooperatives	Financial Performance Based on Standard PESOS (80%)		
		N	Mean Performance	Description
1	UPV Employees Coop University of the Philippines Visayas, Miag-ao, Iloilo and Iloilo City Campuses	52	60.83	Poor
2	Capiz Agro-Fishery Service Development and MPC CapSU Cmpd., Bailan, Pontevedra, Capiz	6	58.04	Poor
3	CapSU MPC, CapSU, Burias, Mambusao, Capiz	11	52.44	Very Poor
4	25-Peso MPC (Aklan State University, Banga, Aklan)	37	37.4	Very Poor
5	Northern Iloilo Polytechnic State College (NIPSC) MPC, NIPSC Estancia, Iloilo	23	45.62	Very Poor
6	WVSU MPC, West Visayas State University, LaPaz, Iloilo City	61	46.20	Very Poor
7	ISCOF MPC, Iloilo State College of Fisheries, Tiwi, Btc. Nuevo, Iloilo	23	52.05	Very Poor
8	WVCST MPC, Western Visayas College of Science and Technology (WVCST)	53	47.92	Very Poor
9	CIT-Capiz MPC –Capiz State University (CapSU), Roxas City	37	44.05	Very Poor
	Mean	314	48.85	Very Poor

The overall financial performance of the nine SUC cooperatives in Panay Island using the PESOS financial ratios and analysis of the CDA, is shown below in Table 3. The basis of these financial data used were the audited financial reports submitted to the CDA Region 6 (Western Visayas) Regional Office, and some were voluntarily provided by the SUC cooperatives. On the otherhand, the categorical description of the financial performance of these cooperatives was imputed to the members of the cooperatives.

Based on the result of this study, majority of the cooperatives (81.5 percent), or seven (7) SUC cooperatives revealed that their financial performance is very poor. While the remaining 18.5 percent or two (2) cooperatives had poor financial performance.

To determine the PESOS of the nine CDA registered coops of SUCs in Panay Island the total points was multiplied by 80 percent based on the criteria stipulated in PESOS (while the remaining 20% is allotted for the non-financial performance evaluation of the coop).

The overall financial performance of the nine (9) CDA-registered SUC cooperatives in Panay Island revealed a mean average of 48.84%, categorically described as very poor financial performance. Suffice it to say that a cooperative is a financially poor (or very poor) performing, yet, they continue to exist and sustain increases in membership and assets because of their high affective commitment to their respective cooperative. Table 3 below shows the summary of the findings.

Table 3. Financial Performance (PESOS) of 9 CDA Registered Coops Among SUCs in Panay Island (3 –Year Average 2010 – 2012)

Financial Indicators PESOS (80%)	Coop 1	Coop 2	Coop 3	Coop 4	Coop 5	Coop 6	Coop 7	Coop 8	Coop 9	Coop 1	Coop 2	Coop 3	Coop 4	Coop 5	Coop 6	Coop 7	Coop 8	Coop 9
	%	Pts	%	Pts	%	Pts	%	Pts	%	%	Pts	%	Pts	%	Pts	%	Pts	%
P-PORTFOLIO QLTY (25%)																		
1.Portfolio at Risk (PAR)	81	0	81.6	0	62.6	0	97.6	0	98.6	0	85.4	0	95.3	0	94.7	0	99.4	0
2.Allow.for Probable Loan Losses(APLL)	0	5	78.5	3		5	2.3	0	0	5	43.5	2	1	5	0.09	0	6	0
3.APLL(1 to 12 mos Past Due)	0	5	106	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5
E-EFFICIENCY (20%)																		
1.Asset Yield	6.9	4	14.8	4	19.2	4	6.7	4	10.5	4	14.5	4	10.5	4	7.5	4	4.7	4
2.Operationa l Self-Sufficiency	175.2	4	188.3	4	53.6	0	117.3	3	200	4	316.3	4	156.2	4	176.2	4	542.7	4
3.Rate of Ret.on Member's Share	7.5	4	32	4	16.1	4	14.9	4	21.4	4	11.9	4	18.4	4	21.4	4	6.5	4
4.Loan Portfolio Probability	12.1	2	40.2	4	25.3	4	21.5	4	24.3	4	18.7	3	21.4	4	19.4	3	20	4
5.Cost / Peso Loan(Score is in Pesos)	0.069	2	0.21	0	0.364	0	0.14	1.5	0.126	1.5	0.055	2	0.137	1.5	0.106	2	0.137	1.5
6.Admin. Efficiency	4	2	6	2	15.1	1.5	7.2	2	5.4	2	5.3	2	9.3	2	5.5	2	10.8	2
S-STABILITY (30%)																		
1.Solvency	124.5	10	70.2	2	140	10	67.4	0	89	4	476.9	10	172.3	10	59.4	0	108.5	8
2.Liquidity	2702	10	852.2	10	3930.8	10	45	10	12941.9	10	718.8	10	2218	10	88.9	10	99	10
3.Net Inst'l Cap.	5.5	6	14.3	10	294.6	10	1.4	2	0.7	0	11.2	10	5	6	10.8	10	3.4	4
O-OPERATIONAL(10%)																		
1Performanc e of Membership Growth	213.3	5	93.3	5	33.3	3	42.2	3	93.3	5	7	2	Decreasing	0	62.7	4	73.3	4
2.Trend in External Borrowing	0	5	81.3	3	0	5	110.7	5	53.3	3	0	5	-0.6	3	151.9	0	0	5
STRUCTURE IN ASSETS (15%)																		
1.Asset Qty.	1.4	5	2.1	5	8.4	3	22.4	0	0.3	5	3.3	5	1.1	5	2	5	0.1	5
2.Asset Structure	3.2	0	7	3	1.9	0	52.8	3	2.8	0	8.8	0	3.2	0	36.5	1	34.2	0
Ratio 1																		
Ratio 2	76.9	2	74	2	39.5	0	71.4	2	90.6	1	77.5	2	87.8	1	79.6	2	86.3	1
Ratio 3	40.9	3	37.3	3	56.6	0	21.4	0	29.5	1	48	3	46.4	1	28.1	1	23.3	0
Total Points		74		69		64.5		48.5		58.5		73		65.5		57		61.5
Rating =Total Points x 80%		60.83%		58.04%		52.44%		37.40%		45.62%		46.20%		52.05%		47.92%		44.05%

Mean Average = 48.84%

Note: Financial Performance is the conglomerate of 25 % Portfolio Quality (P); 20% Efficiency (E); 30% Stability (S); 10% Operational (O); and, 15% Structure in Assets (S).

There was a predominance of females among the members of the nine CDA-registered cooperatives, a little more than 40 percent of them were over 56 years of age, have Master's degree or in the doctoral level, and have from 1 to 3 dependents; majority were married and had gross monthly family income below Php 50,000; and 47.5 percent were engaged in instruction with titles ranging from Teacher I to Professor 6 (Table 4).

As to coop-related factors, majority are members and the rest either officer, BOD/Committee members or chair. Moreover, majority of the respondents were with the coop for 15 years or less (Table 4).

Table 4. Distribution of Respondents according to Personal-Related Factors such as Sex, Age, Marital Status, Highest Educational Level, Number of Dependents, Gross Family Monthly Income and Job Title in College/University

Personal-Related Factors		f	%
Sex			
Male		115	36.6
Female		199	63.4
Total		314	100.0
Age			
Over 55		128	40.8
46 to 55		71	22.6
36 to 45		57	18.2
Below 36		58	18.5
Total		314	100.0
Marital Status			
Single		82	26.1
Married		215	68.5
Widowed/er, Annulled, Separated		17	5.4
Total		314	100.0
Highest Educational Level			
College Level/High School/ Elementary		139	44.3
Masteral (MM, BM), Doctoral Level		131	41.7
Post Grad		7	2.2
Others (College Level, 2 yrs vocational, HS graduate, Elem grad, HS level)		37	11.8
Total		314	100.0
Number of Dependents			
None		43	13.7
1-3		186	59.2
4-6		78	24.8
7-10		7	2.2
Total		314	100.0
Gross Family Monthly Income			
P20,000 and below		118	37.6
P20,001 - P50,000		144	45.9
P50,001 - P100,000		36	11.5
Above P100,000		16	5.1
Total		314	100.0
Job Title in College/University			
Management		27	8.6
Faculty		149	47.5
Staff		125	39.8
Retirees, Student Services Assistants		13	4.1
Total		314	100.0

The respondents as a whole have moderate organizational commitment. A moderate commitment prevailed among respondents in the continuance and normative aspects but in the affective aspect, high organizational commitment was obtained. This is shown in Table 5 below.

Table 5. Organizational Commitment of Members of CDA-Registered Cooperatives Among SUCs

Organizational Commitment	f	%
Poorly Committed (1.00 – 2.33)	12	3.8
Moderately Committed (2.34 – 3.66)	170	54.1
Highly Committed (3.67 – 5.00)	132	42.0
Total	314	100.0
Mean = 3.51 (Moderately Committed)		

As a whole group, CDA-registered cooperatives have very poor financial performance and about 20 percent (2 SUC cooperatives) have poor performance based on the standard CDA – PESOS Rating scheme as shown in Table 2 above.

There is no significant relationship between sex, highest educational attainment, number of dependents, gross family monthly income, job title in college or university and organizational commitment of the respondents. In contrast, there is a significant

relationship between age of respondents and organizational commitment. Below is Table 6 for the summary of findings regarding this.

Table 6. Relationship between Personal-Related Factors and Organizational Commitment of Respondents

Personal-Related Factors	Organizational Commitment								
	Poor		Moderate		High		Total		
	f	%	f	%	f	%	f	%	
Sex									
Male	5	4.3	66	57.4	44	38.3	115	100.0	
Female	7	3.5	104	52.3	88	44.2	199	100.0	
Total	12	3.8	170	54.1	132	42.0	314	100.0	
Chi-Square value = 1.102		p-value = .576							
Age									
Over 55	1	0.8	72	56.2	55	43.0	128	100.0	
46 to 55	2	2.8	36	50.7	33	46.5	71	100.0	
36 to 45	1	1.8	32	56.1	24	42.1	57	100.0	
Below 36	8	13.8	30	51.7	20	34.5	58	100.0	
Total	12	3.8	170	54.1	132	42.0	314	100.0	
Chi-Square Value = 20.523		p-value = .002							
Gamma Value = .128		p-value = .129							
Marital Status									
Single	7	8.5	45	54.9	30	36.6	82	100.0	
Married	4	1.9	118	54.9	93	43.3	215	100.0	
Widowed/er, Annulled,Separated	1	5.9	7	41.2	9	52.9	17	100.0	
Total	12	3.8	170	54.1	132	42.0	314	100.0	
Chi-Square value = 8.817		p-value = .066							
Highest Educational Level									
BS(Psych, Acctg)	8	5.8	72	51.8	59	42.4	139	100.0	
Masteral(MM, BM),Doctoral Level	3	2.3	68	51.9	60	45.8	131	100.0	
Post Grad.	0	0	5	71.4	2	28.6	7	100.0	
Others (College Level,2 yrs vocational, HS graduate, Elem grad, HS level)	1	2.7	25	67.6	11	29.7	37	100.0	
Total	12	3.8	170	54.1	132	42.0	314	100.0	
Chi-Square value = 6.615		p-value = .368							
Number of Dependents									
None	0	0	22	51.2	21	48.8	43	100.0	
1-3	8	4.3	95	51.1	83	44.6	186	100.0	
4-6	3	3.8	48	61.5	27	34.6	78	100.0	
7-10	1	14.3	5	71.4	1	14.3	7	100.0	
Total	12	3.8	170	54.1	132	42.0	314	100.0	
Chi-Square value = 8.402		p-value = .210							
Gamma value = .212									
Gross Family Monthly Income									
P20,000 and below	3	2.5	63	53.4	52	44.1	118	100.0	
P20,001 - P50,000	9	6.2	80	55.6	55	38.2	144	100.0	
P50,001 - P100,000	0	0	17	47.2	19	52.8	36	100.0	
Above P100,000	0	0	10	62.5	6	37.5	16	100.0	
Total	12	3.8	170	54.1	132	42.0	314	100.0	
Chi-Square Value = 6.993		p-value = .322							
Gamma value = .006									
Job Title in College/University									
Management	0	0	17	63.0	10	37.0	27	100.0	
Faculty	7	4.7	83	55.7	59	39.6	149	100.0	
Staff	5	4.0	62	49.6	58	46.4	125	100.0	
Retirees, Student Services Assistants	0	0	8	61.5	5	38.5	13	100.0	
Total	12	3.8	170	54.1	132	42.0	314	100.0	
Chi-Square Value = 3.878		p-value = .693							

Table 6 further revealed that there is no significant relationship between position of respondents in coop , length of membership of respondents in the coop and organizational commitment.

There is no significant relationship between number of dependents, length of membership of respondents in coop and financial performances of coop. In contrast, there is a significant relationship between age of respondents and financial performances of coop.

There is a significant relationship between organizational commitment of respondents and leadership style of coop-managers.

There is a significant relationship between organizational commitment of respondents and financial performances of coop in SUCs in Panay.

Conclusion

The CDA-registered cooperatives among SUCs seemed to have strong membership composed of women, middle aged with few dependents, higher educational level and high gross monthly family income. This characteristic of members made the cooperatives in the academe a viable organization.

The members value their emotional attachment to the organization and desired to remain a part of it. Despite the long standing operation of the cooperatives in SUCs their financial performance is still very poor which could be brought about by a multitude of factors.

Personal-related factors such as sex, age, marital status, highest educational level, number of dependents, gross family monthly income and job title in college/ university have no bearing with the organizational commitment. In contrast, age of respondents has bearing with the organizational commitment of respondents. Position of respondents and their length of membership in the coop have no bearing with their organizational commitment.

Number of dependents and length of membership in the coop have no bearing with the financial performances of coop in SUCs in Panay. However, gross family monthly income has bearing with the financial performances of coop in SUCs in Panay.

Lastly, organizational commitment especially in the affective aspect of coop members, has substantial relation with the financial performances of coop in SUCs in Panay.

Recommendations

Given the findings following recommendations are given: (1) Strengthen commitment of members specifically the normative and continuance aspects through seminars, trips, and retreats; (2) continuous monitoring and assessment of the needs of the members and trends of times intermittent shift to task-oriented management style; (3) immediate remedial attention on financial performance; (4) relatively older members should be chosen to lead critical committees in the cooperative; (5) members should be involved in planning for the improvement of services of the cooperative; (6) the members and officers of the cooperatives must assess the factors that strongly contributed to their poor financial performance and work on factors that could possibly improve it; (7) CDA should monitor the over-all operation of the CDA – registered coops quarterly; and, (8) the CDA should re-evaluate the policy on their COOP-PESOS rating scheme especially for the PESOS rating.

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