Development of Performance Models and Capacity Building Framework for Micro and Small Multipurpose Cooperatives in Ilocos Norte, Philippines

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Background of the Study

Importance of Cooperatives

- strong impact on socio-economic development (Embi, et. al., 2013)
- internationally recognized mechanism to foster financial and economic growth (Global Communities Partners for Good, n.d.)
- promoting equality, community development, and well-being of members (Figueiredo & Franco, 2018).
Background of the Study

Reasons of Failures

- lack of education, training
- lack of capital
- inadequate volume of business
- lack of loyal membership support
- vested interest, graft and corruption among cooperative leaders
- weak leadership and mismanagement
- lack of government support

(Sibal, 2011)
Background of the Study

Inspection Findings in Region I (September 2018)

- statutory funds are not fully funded
- non-issuance of share capital certificates
- no membership registry
- no share and transfer books
- books of accounts were not properly maintained and updated

(Bitonio, 2018)
The research study described the profile of the cooperative, assessed their internal environment (intellectual capacity, governance, and management), external environment (political-legal, economic, and technological) and their social and financial performances as bases in the development of performance models and capacity building framework for micro and small multipurpose cooperatives in the Province of Ilocos Norte, Philippines.
## Results and Discussions

### Table 1. The Internal Environment of the Multipurpose Cooperatives in the Province of Ilocos Norte, Philippines

<table>
<thead>
<tr>
<th>Internal Environment</th>
<th>Micro MPCs</th>
<th>Small MPCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual Capacity</td>
<td>Highly Capacitated</td>
<td>Highly Capacitated</td>
</tr>
<tr>
<td>Governance</td>
<td>Very Satisfactorily Governed</td>
<td>Very Satisfactorily Governed</td>
</tr>
<tr>
<td>Management</td>
<td>Very Satisfactorily Managed</td>
<td>Very Satisfactorily Managed</td>
</tr>
</tbody>
</table>
### Results and Discussions

**Table 2. The External Environment of the Multipurpose Cooperatives in the Province of Ilocos Norte, Philippines**

<table>
<thead>
<tr>
<th>External Environment</th>
<th>Micro MPCs</th>
<th>Small MPCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political-legal</td>
<td>Very Influential</td>
<td>Very Influential</td>
</tr>
<tr>
<td>Economic</td>
<td>Somewhat Influential</td>
<td>Somewhat Influential</td>
</tr>
<tr>
<td>Technological</td>
<td>Very Influential</td>
<td>Very Influential</td>
</tr>
</tbody>
</table>
Results and Discussions

Table 3. The Performance of the Multipurpose Cooperatives in the Province of Ilocos Norte, Philippines

<table>
<thead>
<tr>
<th>Performance</th>
<th>Micro MPCs</th>
<th>Small MPCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Very Good Performance</td>
<td>Very Good Performance</td>
</tr>
<tr>
<td>Financial</td>
<td>Very Satisfactory Performance</td>
<td>Satisfactory Performance</td>
</tr>
</tbody>
</table>
Results and Discussions

Figure 1. Performance Model for Micro Multipurpose Cooperatives in Ilocos Norte, Philippines

Legend:
• Factors printed in red color are very critical in improving performance
• Factors printed in green color should only be sustained to attain the desired level of performance
Capacity Building Framework for Micro and Small Multipurpose Cooperatives in Ilocos Norte

Errol John Viado Valdez, Ph.D.
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## Results and Discussions

### Figure 2. Sample Training Plan of the Capacity Building Framework

<table>
<thead>
<tr>
<th>TRAINING PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Component 1: Internal Environment of the Cooperative</strong></td>
</tr>
<tr>
<td><strong>Component 1: Intellectual Capacity</strong></td>
</tr>
<tr>
<td><strong>Sub-component 1: Human Capital</strong></td>
</tr>
</tbody>
</table>

**Background:**
This training will enhance the human capital of the multipurpose cooperatives. This is to provide the cooperative personnel the necessary training and education to become efficient in providing the products and services to the members, customers and other entities having transactions with them.

**Objective:**
To improve the skills and abilities of the employees of the cooperatives to become efficient in providing services to the members, customers and other entities having transactions with the cooperatives.

**Scope of Participation:** Provincial-wide

**Participants:** Board of directors, secretaries, treasurers, committee chairpersons (election, audit, education, gender and development, mediation and conciliation, and ethics), and manager

**Topics:**
- Importance of human capital to cooperative operation
- Organizational, group and individual behavior
- Motivation
- Personality development
- Values reorientation
- Safety and work environment

**Methodology:**
The participants are required to fill-up a KWL chart. Before the training, they will enumerate what they know about the topics (K) and what they want to learn (W). After the training, they are required to enumerate what they learned (L). The participants are encouraged to actively participate in the lectures and discussions of the topics. Group discussions, simulation and role playing and group activities can be done to assess what they learned.
## Results and Discussions

**Figure 3. Sample Action Plan for Micro Multipurpose Cooperatives of the Capacity Building Framework**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Strategies and Actions</th>
<th>Expected Outcomes</th>
<th>Persons Involved</th>
<th>Time Frame</th>
<th>Budgetary Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve the skills and abilities of the employees of the cooperatives to become efficient in providing services to the members and customers.</td>
<td>Identifying training needs. Preparation of training plans. Preparation of communications and invitations. Identification and preparation of training venue. Preparation of training materials and modules. Conduct of the training and seminar. Evaluate the participants through the use of the KWL Chart. The training will be conducted on a provincial-wide and on a per batch basis. The training will be a collaboration between the cooperative initiating the conduct of the training, Cooperative Development Authority-Region 1, the Provincial Cooperative Council, the Federation of Cooperatives in the province, large and medium-size cooperatives and the local government unit.</td>
<td>85% of the participants are equipped with knowledge on the importance of human capital. 85% of the participating cooperatives are very much capacitated in their intellectual capacity in terms of their human capital. 85% of the participating cooperatives have outstanding social and financial performances.</td>
<td>5 Board of directors, 1 secretary, 1 treasurer, 6 committee chairpersons, and 1 manager Chairperson and members of the Education Committees of the cooperative initiating the conduct of the training. Resource speakers who are knowledgeable on the topics needed in the training. Cooperative initiating the conduct of the training, Cooperative Development Authority-Region 1, Provincial Cooperative Council, Federation of Cooperatives, sponsoring large and medium-size cooperatives, and local government unit.</td>
<td>Year 1 - 2019</td>
<td>Php 20,070.00 (on a per batch basis)</td>
</tr>
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<td></td>
<td>Training kits and materials: Php 2,610.00 (67 participants x Php 30.00) Meals and snacks of participants: Php 6,860.00 (67 participants x Php 80.00) Honorarium of the resource speakers: Php 8,000.00 (3 resource speakers x Php 2,000.00) Training Venue: Php 3,000.00 Incidental expenses: Php 1,500.00</td>
</tr>
</tbody>
</table>

*The target participants were estimated based on the 37 compliant micro multipurpose cooperatives in the Province of Ilocos Norte as of December 31, 2017.*
Recommendations

- to adopt the performance models and implement the capacity building framework
- to conduct evaluation on the relevance of the performance models and capacity building framework after adoption and implementation
- identify updates that are needed by the cooperatives
- to conduct similar study in other parts of the country
Keywords

Development
Performance Models
Capacity Building Framework
Micro and Small Multipurpose Cooperatives
Ilocos Norte
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Thank you very much