



The Role of Institutional Support in Shaping the Micro, Small, Medium Cooperative Directions in Southern Mindanao

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Abstract

This study investigates the role of institutional support both governmental and private in shaping the strategic directions of cooperatives in Southern Mindanao, Philippines. Specifically, it examines how cooperative objectives and management interests vary across micro, small, and medium-sized cooperatives, and whether external support influences these directions. Using a quantitative descriptive-comparative design, data were collected from 123 multipurpose cooperatives operating for at least five years. A self-constructed questionnaire measured cooperative direction and institutional support, with reliability coefficients of .928 and .847 respectively. Statistical analyses included ANOVA, Kruskal–Wallis H test, and linear regression. Findings revealed no significant differences in cooperative direction or institutional support across cooperative sizes, suggesting that strategic orientation is guided more by cooperative principles and regulatory frameworks than by asset level. However, regression analysis confirmed that institutional support significantly predicts cooperative direction, accounting for 18.1% of its variance. This underscores the importance of accessible and targeted support mechanisms in enabling cooperatives to pursue expansion, innovation, and operational efficiency. The study concludes that while cooperative size does not inherently determine strategic direction, institutional ecosystems play a pivotal role in shaping cooperative growth. Recommendations include enhancing outreach, simplifying access to support, and fostering partnerships to ensure that cooperatives of all sizes can translate institutional support into meaningful development outcomes.

Keywords: Cooperative direction, Government support, Management interest, Objectives, Private firm aid.

1. Introduction

Cooperatives are widely recognized as transformative organizations that promote inclusive growth, equitable participation, and sustainable community development (Kharel et al., 2022). Globally, they have demonstrated resilience during economic downturns and have provided members with access to resources, markets, and opportunities that strengthen both individual and collective welfare (Birchall, 2013; Roelants, Hyungsik, & Terrasi, 2014). In the Philippines, cooperatives play an integral role in poverty reduction and socio-economic empowerment, particularly among marginalized sectors. Republic Act No. 9520, or the Philippine Cooperative Code of 2008, established the legal foundation for cooperative development by granting tax incentives, financing mechanisms, and institutional support to enhance cooperative viability and growth. Despite these provisions, many cooperatives, especially those in Southern Mindanao, exhibit slower growth compared to the expanding global cooperative movement.

One factor that explains this disparity lies in the cooperative directions, which in this study are defined as a combination of cooperative objectives and management interests. Cooperative objectives include strategies such as establishing branches (Harris, M. (2009)., acquiring assets, introducing new products, developing distribution channels, adopting modern technologies (Birchall, J., & Simmons, R. 2004) , and investing in research and development (Kotey, 2005). Management interests, on the other hand, encompass financial and organizational goals such as increasing capital, surplus, operational efficiency, and membership while ensuring the capacity to meet financial obligations (Martínez-Victoria & Maté-Sánchez-Val, 2021). These directions determine whether cooperatives can evolve beyond subsistence-level operations to become dynamic organizations capable of contributing significantly to local and national development (Yayeh & Mulugeta, 2024). However, variations in performance across micro, small, and medium cooperatives suggest that internal capacities alone may not fully account for the differences.

Cooperative directions vary significantly across micro, small, and medium organizations, largely due to differences in asset size, financial capacity, and managerial resources. Expansion strategies, such as opening new branches or acquiring long-term assets, are typically pursued by medium and larger cooperatives that possess stronger capital bases and easier access to financing. In contrast, micro cooperatives tend to focus on consolidating existing operations rather than engaging in physical expansion because of their limited equity and greater vulnerability to financial risks (Wanyama, 2014; Birchall, 2013; Pabuayon, 2019). Beyond physical expansion, small and medium cooperatives often prioritize product diversification and the development of new distribution channels to remain competitive in dynamic markets. Innovation in products and marketing has been identified as a crucial strategy for sustainability, particularly for agricultural and consumer cooperatives, whereas micro cooperatives frequently lack the resources to engage in product innovation and therefore rely heavily on established local markets (Vargas-Cetina, 2011; Tallo & Rivera, 2022).

Strategic alliances also represent a vital dimension of cooperative direction. Medium cooperatives often form partnerships with wholesalers, retailers, or federations to extend their market reach and secure economies of scale, while micro cooperatives generally depend on informal networks and struggle to negotiate favorable agreements due to their small scale and limited bargaining power (ILO, 2014; Reyes, 2020). Another area of differentiation lies in technology adoption and modernization. Larger and medium-sized cooperatives are better positioned to replace outdated systems and implement modern techniques, especially when external financing and training opportunities are available. Micro cooperatives, however, frequently refrain from upgrading technology because of high associated costs, resulting in persistent productivity gaps across cooperative categories (Birchall, 2013; Bacus, 2025).

Research, development, and exploration activities similarly highlight the divergence in cooperative directions. Medium cooperatives often undertake R&D to professionalize operations and compete effectively with private enterprises, while micro cooperatives rarely allocate resources to such initiatives as their efforts are mainly survival-oriented. Small cooperatives, though constrained, occasionally engage in research and exploration, particularly when supported by government grants or non-governmental organizations (Roelants, Hyungsik, & Terrasi, 2014; Calica & Jimenez, 2021). Finally, marketing programs and outsourcing services form another dimension of cooperative strategies. Medium cooperatives tend to design internal marketing initiatives and may hire professional staff or outsource specialized services to improve competitiveness. Micro cooperatives rely predominantly on member-driven promotional strategies, while small cooperatives often outsource essential functions such as accounting, auditing, and logistics to address capacity limitations (ILO, 2014; Reyes, 2020).

Management interests play a pivotal role in shaping the overall direction and sustainability of cooperatives, influencing both their financial performance and organizational strategies. One of the foremost priorities of cooperative management is to increase capital, as access to adequate financial resources determines the ability to expand operations, modernize infrastructure, and provide member services. According to Medina (2019), cooperatives with stronger capitalization are more capable of sustaining long-term investments and responding to economic shocks. Closely linked to capital is the goal of increasing net surplus, which serves as both a measure of financial health and a source of reinvestment for cooperative development. Studies by Restuccia (2015) highlight that efficient surplus management enhances member benefits through patronage refunds and ensures organizational viability.

Expansion of operations also remains a key interest, especially among medium and large cooperatives that have achieved stability in their markets. Efficient scaling allows cooperatives to diversify operations and serve broader member bases, although micro cooperatives often face limitations in expanding due to insufficient capital and managerial expertise (Manalili, 2018). Improving organizational efficiency is another central concern, as efficient systems reduce operational costs, streamline services, and enhance competitiveness. Efficiency is often linked to training, technological adoption, and good governance, which strengthen institutional performance (Bacus, 2025; Birchall, 2013).

Membership growth is another indicator of cooperative vitality, since member numbers directly contribute to capital formation, market share, and organizational legitimacy. Reyes (2020) emphasizes that cooperatives with inclusive membership strategies foster stronger democratic governance and sustainability. Generating extra income beyond core operations has also been explored, with some cooperatives diversifying into allied businesses or value-added services to reduce dependency on a single line of activity (Vargas-Cetina, 2011).

The ability to meet short- and long-term obligations reflects a cooperative's financial stability and governance quality. According to Wanyama (2014), cooperatives that effectively manage liabilities strengthen their credibility with financial institutions, making them more attractive to investors and capable of securing external support.

Institutional support—both from government and private institutions—plays a critical role in enabling cooperatives to pursue these directions. Government support may come in the form of subsidies, grants, tax incentives, and financing programs provided through state-owned banks and agencies. Private institutions also contribute by offering donations, investment options, and financing programs tailored to cooperatives. While these provisions are designed to strengthen cooperative capacities, questions remain about whether such support sufficiently translates into clear and sustainable cooperative directions, particularly in Southern Mindanao where growth has lagged.

Government agencies, through the Cooperative Development Authority (CDA) and government financial institutions, provide subsidies, grants, financing programs, and tax incentives to strengthen cooperatives (De Guzman & Buenaventura, 2017). At the same time, private institutions—including banks, NGOs, and microfinance organizations—offer additional financing, investment opportunities, and donations to sustain cooperative operations and expand their capacity (Bacus, 2025).

Government subsidies and grants are critical mechanisms that strengthen cooperative capital bases and reduce financial risks for micro, small, and medium cooperatives (MSMEs). According to Wanyama (2014), subsidies have historically enabled cooperatives worldwide to expand their social and economic functions, especially in rural communities with limited financial resources. In the Philippines, the Cooperative Development Authority (CDA) collaborates with government agencies to provide direct support programs, capacity-building initiatives, and

livelihood assistance grants to micro and small cooperatives (De Guzman & Buenaventura, 2017). These subsidies are particularly important in regions like Southern Mindanao, where many cooperatives lack sufficient capitalization to expand operations (Pabuayon, 2019).

Republic Act 9520 institutionalized tax incentives for cooperatives, exempting them from certain taxes such as value-added tax, documentary stamp tax, and percentage tax, depending on their classification and net surplus (Republic Act No. 9520, 2008). Such provisions reduce the financial burden on cooperatives and encourage reinvestment of surplus into development projects. Studies have shown that tax incentives significantly improve the financial sustainability of MSM cooperatives by allowing them to allocate resources toward modernization and expansion (De Guzman & Buenaventura, 2017; Calica & Jimenez, 2021). However, the effectiveness of these incentives is often limited by the cooperatives' lack of awareness and capacity to fully utilize these tax privileges (ILO, 2014).

Government financial institutions such as the Land Bank of the Philippines and the Development Bank of the Philippines play pivotal roles in providing cooperatives with investment options. These banks create specialized lending windows and investment opportunities targeted at agricultural and community-based cooperatives (Bacus, 2025). By offering long-term investment packages, government banks enable cooperatives to build capital reserves, diversify activities, and fund expansion projects. However, smaller cooperatives often face barriers such as stringent collateral requirements and complex application procedures, limiting their access compared to larger cooperatives (Pabuayon, 2019).

Financing programs offered by government banks and agencies directly impact the growth trajectories of MSM cooperatives. Through credit programs, soft loans, and development financing, cooperatives gain access to working capital needed for operations and expansion. International Labour Organization (2014) emphasizes that access to financing is one of the most significant determinants of cooperative sustainability. In the Philippine context, government financing has supported agricultural cooperatives by providing credit for production inputs, equipment, and post-harvest facilities (De Guzman & Buenaventura, 2017). Nevertheless, many micro and small cooperatives in Southern Mindanao remain credit-constrained due to their limited financial records, poor governance, and weak compliance with eligibility requirements (Pabuayon, 2019).

Donations from private institutions, non-government organizations (NGOs), and corporate social responsibility (CSR) initiatives provide valuable support to cooperatives, especially in rural and underdeveloped areas. According to Birchall (2013), private sector support often complements government programs by addressing resource gaps in education, training, and livelihood projects. In the Philippines, NGOs and development foundations frequently donate equipment, training services, or seed funds to small cooperatives, particularly in agriculture and fisheries (Reyes, 2020). These donations not only strengthen cooperative operations but also foster long-term partnerships between cooperatives and private enterprises.

Private banks and financial institutions are increasingly offering investment opportunities tailored for cooperatives. These include time deposits, credit lines, and cooperative-specific investment products that help expand their capital base. As Roelants, Hyungsik, and Terrasi (2014) note, strong ties between cooperatives and private finance networks are essential to sustaining competitiveness in liberalized economies. In the Philippines, commercial banks like BDO and Metrobank provide cooperative-friendly financial services, though access is often limited to medium and larger cooperatives with proven credit histories (Pabuayon, 2019). Micro and small cooperatives in Mindanao still struggle to engage with private investment options due to stringent documentation and collateral requirements.

Private financing programs play a crucial role in bridging credit gaps not fully covered by government banks. Many private banks and microfinance institutions (MFIs) provide working capital loans, equipment financing, and agricultural loans tailored to cooperative needs. According to Tallo and Rivera (2022), private MFIs in the Philippines have been instrumental in extending microcredit to grassroots cooperatives, thereby supporting small-scale farmers and entrepreneurs. While private financing programs can be more flexible than government loans, interest rates are often higher, making them less accessible for struggling cooperatives. Nevertheless, partnerships between private financial institutions and cooperatives have facilitated expansion, technology adoption, and marketing innovations (ILO, 2014).

This study therefore seeks to address the research gap on how government and private institutional support shape the directions of cooperatives in Southern Mindanao. Specifically, it examines whether there are significant differences in institutional support and cooperative directions when analyzed by cooperative size, and whether institutional support influences cooperative directions. The findings are expected to provide valuable insights for policymakers in refining cooperative development programs, for cooperative leaders in aligning objectives with available resources, and for private institutions in designing financial products that better serve the unique needs of micro, small, and medium cooperatives.

2. Methodology

This study employed a quantitative descriptive-comparative research design. A quantitative approach was deemed appropriate because the study sought to measure relationships and differences using numerical data, while the descriptive-comparative element allowed the researcher to compare institutional support and cooperative directions across micro, small, and medium cooperatives. This design aligns with the study's objectives of determining whether government and private institutional support influence cooperative directions and whether these vary by asset size.

The respondents of the study were the chairpersons of the board of directors or managers of multipurpose cooperatives in Region XII (SOCCSKSARGEN), Philippines. A total of 123 respondents participated, distributed as follows: 29 micro cooperatives (21.8%), 48 small cooperatives (36.1%), and 46 medium cooperatives (34.6%). Only multipurpose cooperatives that had been operating for at least five years were included to ensure maturity and stability in management and operations.

The adequacy of this sample size is supported by methodological standards in quantitative research. According to Krejcie and Morgan (1970), a minimum of 92 respondents is sufficient for a population size of 120, while a

sample of 123 provides adequate statistical power to detect significant differences and relationships. Hence, the sample was deemed valid and reliable for inferential analysis.

A purposive sampling technique was employed, targeting only multipurpose cooperatives with at least five years of operation to ensure that respondents had substantial experience in cooperative management and decision-making.

The main instrument used in this study was a self-constructed questionnaire designed to capture the essential variables of cooperative size, direction, and institutional support. Cooperative size was measured nominally, classifying respondents as belonging to micro, small, or medium cooperatives. Cooperative direction was assessed using 20 items rated on a 5-point Likert scale (1 = Not a priority, 5 = Very High or Essential), covering both cooperative objectives such as branch establishment, product introduction, research and development, and technology adoption, as well as management interests including increasing capital, surplus, efficiency, and membership. Institutional support was measured through 10 items also rated on a 5-point Likert scale (1 = Unavailable, 5 = Highly Available), reflecting both government provisions such as subsidies, tax incentives, and financing programs, and private provisions including donations, bank financing, and investment options. To ensure the validity and reliability of the instrument, five professionals in cooperative studies and management validated its content. Reliability testing further confirmed its consistency, yielding a Cronbach's Alpha coefficient of .928 for Cooperative Direction and .847 for Institutional Support, both exceeding the acceptable threshold of .70, thereby indicating strong internal consistency (Field, 2013).

Descriptive statistics such as frequency counts and percentages were employed to profile the cooperatives according to their asset size, while means and standard deviations were computed to describe the levels of institutional support and cooperative directions. For inferential statistics, different analyses were applied based on the assumptions of normality and homogeneity. To test for differences in institutional support across cooperative sizes, the Shapiro–Wilk test indicated that the data were normally distributed for micro cooperatives ($p > .05$) but not for small and medium cooperatives ($p < .05$). Due to this violation of the normality assumption, a Kruskal–Wallis H test was conducted as a non-parametric alternative to ANOVA, since it is appropriate for comparing three or more independent groups without assuming normal distribution (MacFarland, T. W., & Yates, J. M. 2016). On the other hand, differences in cooperative direction by cooperative size were examined using a one-way Analysis of Variance (ANOVA), as both the Shapiro–Wilk and Levene's tests confirmed normality ($p > .05$) and homogeneity of variances, $F(2,120) = 1.23$, $p = .296$. Finally, to determine the effect of institutional support on cooperative direction, a simple linear regression analysis was performed. The regression assumptions were satisfied, with no evidence of multicollinearity ($VIF = 1.00$) and residuals approximately normally distributed. All statistical tests were conducted at the 0.05 level of significance to ensure rigor and reliability in the interpretation of results.

The study adhered to ethical research principles. Respondents were informed about the study's purpose, assured of confidentiality, and participation was voluntary. Data were analyzed in aggregate form, ensuring that individual cooperative identities remained anonymous.

3. Results and Discussion

A one-way analysis of variance (ANOVA) was conducted to examine whether cooperative direction differs significantly across cooperative sizes (micro, small, and medium). Descriptive statistics are presented in Table 1.

Table 1. Descriptive Statistics of Cooperative Direction by Cooperative Size.

Cooperative Size	N	M	SD	95% CI for Mean (Lower, Upper)
1 (Micro)	29	3.30	0.77	3.01, 3.59
2 (Small)	48	3.40	0.66	3.21, 3.59
3 (Medium)	46	3.44	0.81	3.20, 3.68
Total	123	3.39	0.73	—

The assumption of normality was met for all groups, as assessed by the Shapiro–Wilk test ($p > .05$), and the assumption of homogeneity of variances was satisfied, as indicated by Levene's test, $F(2, 120) = 1.23$, $p = .296$.

The ANOVA results revealed no statistically significant differences in cooperative direction among the three cooperative sizes, $F(2, 120) = 0.32$, $p = .729$, $\eta^2 = .005$ (see Table 2). The effect size ($\eta^2 = .005$) indicates that only 0.5% of the variance in cooperative direction can be attributed to cooperative size, suggesting a negligible practical effect. These results suggest that cooperative direction does not significantly vary as a function of cooperative size.

Table 2. Cooperative Direction by Cooperative Size.

Source	SS	df	MS	F	p	η^2
Between Groups	0.351	2	0.175	0.32	0.729	0.005
Within Groups	66.255	120	0.552			
Total	66.605	122				

Note. No significant differences were found in cooperative direction across cooperative sizes, $F(2, 120) = 0.32$, $p = 0.729$.

The results of the one-way ANOVA indicated that cooperative direction did not significantly differ across micro, small, and medium-sized cooperatives. This finding suggests that regardless of size, cooperatives tend to maintain relatively similar approaches to organizational direction. One possible explanation is that cooperative governance structures and regulatory frameworks provide standardized guidelines that all cooperatives must follow, minimizing variation based on cooperative size.

The negligible effect size ($\eta^2 = .005$) further reinforces the conclusion that cooperative size exerts little practical influence on cooperative direction. This implies that the core values, mission, and strategies of cooperatives are guided more by cooperative principles and member-driven objectives than by organizational scale.

Even smaller cooperatives may demonstrate a comparable level of strategic direction to their larger counterparts, despite differences in resources.

This finding aligns with the work of *Birchall (2013)* and *Roelants, Hyungsik, and Terrasi (2014)*, who emphasized that cooperative identity and orientation are rooted in democratic participation, collective decision-making, and adherence to cooperative values, rather than in the size of the enterprise. These studies suggest that cooperative principles create a unifying framework that standardizes objectives such as improving member welfare, expanding services, and fostering sustainability, regardless of asset level. Similarly, *ICA (2019)* stressed that cooperatives worldwide operate under a common set of values that ensure their strategic direction remains consistent across different scales of operation.

In the Philippine context, the result is also consistent with the provisions of Republic Act 9520 (Philippine Cooperative Code of 2008), which grants uniform rights, privileges, and development incentives to cooperatives irrespective of size. This regulatory framework may contribute to minimizing differences in cooperative directions across micro, small, and medium organizations, since all are required to adhere to the same cooperative standards and benefit from similar institutional supports.

However, this finding contrasts with studies in other organizational contexts where firm size was found to influence strategic direction and management practices. For instance, *Penrose's (1959)* theory of firm growth and later studies by *Beck, Demirgüç-Kunt, and Levine (2005)* highlight that larger organizations typically enjoy greater resource access, economies of scale, and broader market reach, which in turn shape their strategic priorities differently from smaller firms. Similarly, *Othman et al. (2012)* found that larger cooperatives in Malaysia demonstrated stronger diversification strategies compared to smaller ones, suggesting that scale can affect strategic orientation when resources are unevenly distributed.

The contrast between these findings and the current study may be explained by the highly institutionalized environment of Philippine cooperatives, where cooperative direction is less dependent on size and more influenced by external governance frameworks and internal member-driven objectives. This points to the unique nature of cooperatives as values-driven organizations, which may distinguish them from other business models where size plays a more decisive role in shaping direction.

To address the second research problem, whether there is a significant difference in institutional support across cooperative sizes, the study first assessed the assumption of normality using the Shapiro–Wilk test. Results revealed that the distribution of institutional support was normal for micro cooperatives ($p > .05$) but violated for both small and medium cooperatives ($p < .05$). Since at least two groups did not meet the normality assumption, a non-parametric test was more appropriate. Therefore, a Kruskal–Wallis H test was employed as the alternative to one-way ANOVA, because it does not assume normal distribution and is suitable for comparing three or more independent groups (*MacFarland, T. W., & Yates, J. M. 2016*).

The Kruskal–Wallis H test showed that the distribution of institutional support did not significantly differ across cooperative sizes, $H(2) = 3.01$, $p = .222$. As shown in Table 3, small (Mean Rank = 65.96) and medium cooperatives (Mean Rank = 64.13) reported slightly higher institutional support than micro cooperatives (Mean Rank = 52.07), but these differences were not statistically significant (see Table 4).

This finding contrasts with prior literature that emphasizes the role of cooperative size in accessing institutional support. For instance, *Pabuayon (2019)* found that larger cooperatives in Mindanao tend to have better access to government financing programs and private sector partnerships due to stronger organizational capacity and financial documentation. Similarly, *Birchall (2013)* and *Roelants, Hyungsik, & Terrasi (2014)* argue that scale often enhances cooperatives' ability to leverage institutional networks, apply for grants, and meet eligibility criteria for support programs.

However, the lack of significant difference in this study may reflect efforts by government agencies and private institutions to democratize access to support services, particularly under the framework of Republic Act 9520. The Cooperative Development Authority (CDA) and affiliated institutions have increasingly promoted inclusive financing and capacity-building programs aimed at micro and small cooperatives (*De Guzman & Buenaventura, 2017*). This could explain why micro cooperatives, despite their limited resources, are not significantly disadvantaged in terms of institutional support.

Another possible explanation lies in the nature of institutional support itself. If the support received is largely uniform in type (e.g., basic training, small grants, or general advisories), then differences in cooperative size may not translate into significant disparities in perceived support. *Wanyama (2014)* emphasizes that the quality and strategic relevance of support rather than its mere presence often determines its impact on cooperative development.

Table 3. Mean Ranks of Institutional Support by Cooperative Size.

Cooperative Size	N	Mean Rank
Micro	29	52.07
Small	48	65.96
Medium	46	64.13
Total	123	—

Table 4. Kruskal–Wallis Test Summary for Institutional Support.

$\chi^2 (H)$	df	p
3.014	2	0.222

Note: No statistically significant differences in institutional support were observed across cooperative sizes.

A simple linear regression was conducted to examine the influence of institutional support on cooperative direction. The results of the regression indicated that institutional support significantly predicted cooperative direction, $F(1, 121) = 26.66$, $p < .001$, with an $R^2 = .181$. This suggests that approximately 18.1% of the variance in cooperative direction can be explained by the level of institutional support.

As shown in Table 5, institutional support had a positive and significant effect on cooperative direction ($\beta = .43$, $p < .001$). Specifically, for every one-unit increase in institutional support, cooperative direction increased by 0.40 points. This indicates that greater access to government and private institutional provisions (e.g., subsidies, financing programs, and tax incentives) enhances the ability of cooperatives to prioritize strategic objectives and management interests, such as expansion of operations, efficiency improvement, and innovation.

The residual statistics and collinearity diagnostics suggested that regression assumptions were reasonably met (no multicollinearity, VIF = 1.00; residuals approximately normally distributed).

Table 5. Institutional Support as a Predictor of Cooperative Direction

Predictor	B	SE B	β	t	p
Constant	2.07	0.26	—	7.89	<.001
Institutional Support	0.40	0.08	.43	5.16	<.001

Note: Model Summary : $R = 0.425$, $R^2 = 0.181$, Adjusted $R^2 = 0.174$, $SE = 0.67$
ANOVA: $F(1, 121) = 26.66$, $p < 0.001$.

This finding aligns with the theoretical framework proposed by Penrose (1959), which emphasizes that organizational growth is contingent on the availability and utilization of resources. Institutional support, in this context, serves as a critical external resource that enables cooperatives to expand their strategic horizons. Beck, Demirgüç-Kunt, and Levine (2005) similarly argue that institutional environments shape firm behavior by reducing financial constraints and encouraging investment in long-term goals.

In the Philippine setting, De Guzman and Buenaventura (2017) highlight that Republic Act 9520 was designed to provide cooperatives with structural and financial support to enhance their development. However, the effectiveness of these provisions depends on the cooperatives' ability to access and leverage them. The positive regression coefficient ($\beta = .43$) in this study confirms that institutional support is not merely symbolic—it has a tangible impact on how cooperatives define and pursue their direction.

Moreover, the result resonates with findings from Pabuayon (2019), who noted that cooperatives in Mindanao often struggle with strategic planning due to limited access to institutional resources. This study provides empirical evidence that when such support is present, cooperatives are more likely to engage in activities such as branch expansion, technology adoption, and capital growth—key indicators of strategic direction.

4. Conclusion and Recommendation

This study examined the relationship between cooperative size, institutional support, and cooperative direction among micro, small, and medium cooperatives in Southern Mindanao. The results revealed that cooperative direction does not significantly differ across cooperative sizes, suggesting that strategic orientation is shaped more by shared cooperative principles and regulatory frameworks than by organizational scale. The negligible effect size further supports the notion that cooperative values such as democratic governance, member-driven objectives, and social equity serve as unifying forces that standardize strategic direction across asset levels.

Similarly, institutional support was found to be statistically comparable across cooperative sizes, despite slight differences in mean ranks. This finding challenges conventional assumptions that larger cooperatives inherently receive more support, and instead points to the effectiveness of inclusive policies under Republic Act 9520 and the efforts of government and private institutions to democratize access to development programs. The uniformity of support may reflect standardized provisions such as basic training, grants, and advisory services that are accessible regardless of cooperative size.

Most notably, the regression analysis confirmed that institutional support significantly influences cooperative direction. Cooperatives with greater access to government and private provisions such as subsidies, financing programs, and tax incentives are more likely to pursue strategic objectives and management interests aligned with growth, innovation, and operational efficiency. This underscores the critical role of institutional ecosystems in enabling cooperatives to expand their horizons and fulfill their developmental mandates.

Taken together, these findings highlight the unique nature of cooperatives as values-driven organizations whose strategic direction is less dependent on size and more influenced by external support structures and internal governance. While global and regional literature often emphasizes the advantages of scale, the Philippine cooperative context, particularly in Southern Mindanao, demonstrates that equitable institutional support and adherence to cooperative principles can level the playing field across micro, small, and medium organizations.

Based on the findings of this study, several actionable recommendations are proposed to enhance cooperative development in Southern Mindanao and ensure that institutional support translates into meaningful strategic direction. First, government agencies such as the Cooperative Development Authority (CDA) and local government units should intensify outreach efforts to ensure that micro and small cooperatives are fully informed of available subsidies, grants, and financing programs. These agencies must also simplify application procedures and eligibility requirements, particularly for cooperatives with limited administrative capacity, and develop tailored support packages that reflect cooperative size and strategic needs rather than applying uniform provisions.

To improve cooperative direction, especially among micro and small cooperatives, regular training programs on strategic management, financial planning, and governance should be conducted. The development of toolkits and mentoring initiatives can further guide cooperatives in aligning their objectives with long-term growth strategies. Moreover, participatory planning should be encouraged to ensure that management interests reflect the collective goals of cooperative members.

Private banks and financial institutions also play a vital role in cooperative development. They should design cooperative-friendly financial products with flexible terms, reduced collateral requirements, and embedded capacity-building components. Partnerships with NGOs and development agencies can help co-finance cooperative initiatives, particularly in underserved rural areas. Establishing regional cooperative desks or liaison offices would further facilitate access and build trust with smaller cooperatives.

To ensure that institutional support leads to strategic outcomes, performance tracking systems must be implemented to monitor how cooperatives utilize support and progress toward their objectives. Data-driven

assessments should be used to refine support programs and identify development gaps. Transparency and accountability must be promoted through regular reporting and stakeholder engagement.

Finally, a coordinated approach involving government agencies, private institutions, academia, and cooperative federations is essential. Regional platforms for dialogue and resource sharing should be created to foster collaboration among cooperatives of varying sizes. Joint ventures and inter-cooperative alliances can be supported to pool resources and pursue shared strategic goals. Academic institutions should also be actively involved in research, training, and policy development to sustain evidence-based cooperative growth.

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