

Key Drivers of a Multipurpose Cooperative Membership Attraction

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ABSTRACT

Cooperatives have become part of how communities grow. However, a significant number of eligible employees remain non-members. This descriptive-correlational study addressed the gap by examining the factors that make membership in an institutionalized closed-type cooperative in Cagayan de Oro City attractive to employees. The main problem addressed was whether economic, social, and organizational factors influence employees' decision to join and stay in the cooperative. A validated survey questionnaire was tested for reliability using confirmatory factor analysis. It was administered to one-hundred thirty-two (132) participants in a government agency. Results showed that organizational and economic factors play the biggest role in shaping membership attractiveness. Participants rated highly transparency in fund use, responsiveness to member concerns, and efficiency in service delivery. Economic programs including emergency loans, savings schemes, and dividends were seen as important benefits. In contrast, social factors such as camaraderie and participation in activities received moderate ratings, suggesting that they are expected. Regression analysis confirmed that organizational and economic factors significantly influence membership attractiveness, while social factors do not significantly influence. This means improving governance, service systems, and financial programs are the most effective ways to attract and retain members. Based on the findings, it is recommended for the cooperative to strengthen governance transparency and expand financial services. Moreover, there is a need for social activities to be improved to foster inclusivity and stronger sense of community. For future researchers, it is recommended to examine additional factors that could influence membership attractiveness. Additionally, to conduct longitudinal studies and use mixed-method approaches with advanced tools to track changes in membership attractiveness.

Keywords: Cooperative Membership Attractiveness, Organizational Factors, Economic Factors, Social Factors

INTRODUCTION

Cooperatives serve as vital institutions in the Philippines, promoting financial inclusion, savings, and community participation among employees. For government workers, cooperatives provide access to loans, dividends, and emergency financial support, while also fostering camaraderie and collective identity. However, membership attractiveness remains a challenge, as not all employees are equally motivated to join or remain active.

In Cagayan de Oro City, an institutionalized closed-type cooperative plays a central role in supporting employees of a government agency. Yet, questions remain about which factors most strongly influence membership attractiveness. This study addresses that gap by examining economic, social, and organizational dimensions of cooperative engagement.

From the perspective of sustainable development, effective cooperative governance aligns with SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduces Inequalities). Achieving these goals depends on the cooperatives ability to attract and retain members through transparent governance, efficient services, and inclusive programs.

LITERATURE REVIEW/THEORETICAL FRAMEWORK

This study assumes that economic, social, and organizational factors influence cooperative membership

attractiveness. It is anchored on three interrelated theories – Social Exchange Theory, Stakeholder Theory, and Member Commitment Theory – which explain how perceived benefits, emotional connection, and inclusive governance shape member engagement.

Social Exchange Theory (Blau, 1964, Homans, 1958) posits that individuals remain in relationships when benefits outweigh costs. In cooperatives, members weigh financial rewards such as dividends and loans together with social benefits like trust and community. When value is seen, loyalty and participation increase. Zeng and Wan (2024) found that close social ties improve trust and financial opportunities, and Ahmad et al. (2022) added that reciprocity and fairness help maintain lasting satisfaction.

Stakeholder Theory (Freeman, 1984) highlights the importance of considering stakeholder interest in decision-making. In cooperatives, members are both owners and beneficiaries, making governance important to success. Clear and inclusive practices help build trust. Khumalo et al. (2025) showed that democratic governance strengthens resilience and satisfaction, while Ribas et al. (2022) found that involving members in decisions increases loyalty and credibility.

Member Commitment Theory (Meyer & Allen, 1991) explains organizational commitment through affective, continuance, and normative dimensions. In cooperatives, affective commitment grows from belonging, continuance from financial benefits, and normative from shared values. Zeng & Wan (2024) found that trust and incentives drive member commitment, while Borige and Shailaja (2024) added that cultural and emotional connections support lasting advocacy.

With these theories as foundation, the study considers three independent variables: economic, social, and organizational factors.

Economic factors refer to financial benefits and efficiency of credit and services. Indicators include dividends, patronage funds, and loan accessibility. Hilario (2022) found that financial benefits motivate people to join, while Malabarbas et al. (2022) pointed out that financial security makes them more appealing. Abella and Bation (2024) also observed that easy access to services, especially for non-regular employees increases membership attractiveness.

Social factors capture trust, belonging, and peer influence. Sub variable include sense of community, reputation, and word-of-mouth. Hilario (2022) found that members who feel connected stay engaged, while Abella and Bation (2024) pointed out that events and shared goals as strengthen ties. Malabarbas et al. (2022) showed that inclusivity increases satisfaction. Reputation and trust are also important, with transparency and ethical governance (Malabarbas et al., 2022; Abella & Bation, 2024) encourage membership. Word-of-mouth and family influence play a big role, as peer recommendations are strong motivators.

Organizational factors refer to governance practices, service quality, and member engagement. Good governance should be transparent and accountable, with Malabarbas et al. (2022) showing that fairness helps retain members. Hilario (2022) noted that reports and feedback systems build trust. Service quality- seen in fast, professionalism, and reliable support - improves satisfaction (Abella & Bation, 2024). Member engagement, such as events and leadership roles, encourages ownership and loyalty (Hilario, 2022).

The dependent variable is membership attractiveness, defined as the extent to which individuals perceive cooperative membership as valuable, beneficial, and worth joining. Its key sub-variable is perceived value, which reflect usefulness, relevance, and overall worth. Chan and Raharja (2023) found that perceived value drives satisfaction and loyalty, while Beriales (2022) pointed out its role to engagement. Indicators include belief in long-term benefits, relevance of services, and comparison to alternatives.

Together, these variables form an integrated model of membership attractiveness. Financial benefits may spark interest, but without trust and inclusive governance, that interest fades. Social belonging may encourage participation, but without accessible services, it remains symbolic. Organizational effectiveness sustains engagement, but without perceived value, it cannot attract new members. These dimensions reinforce one another to create a cooperative that is both functional and desirable.

CONCEPTUAL FRAMEWORK & RESEARCH QUESTIONS

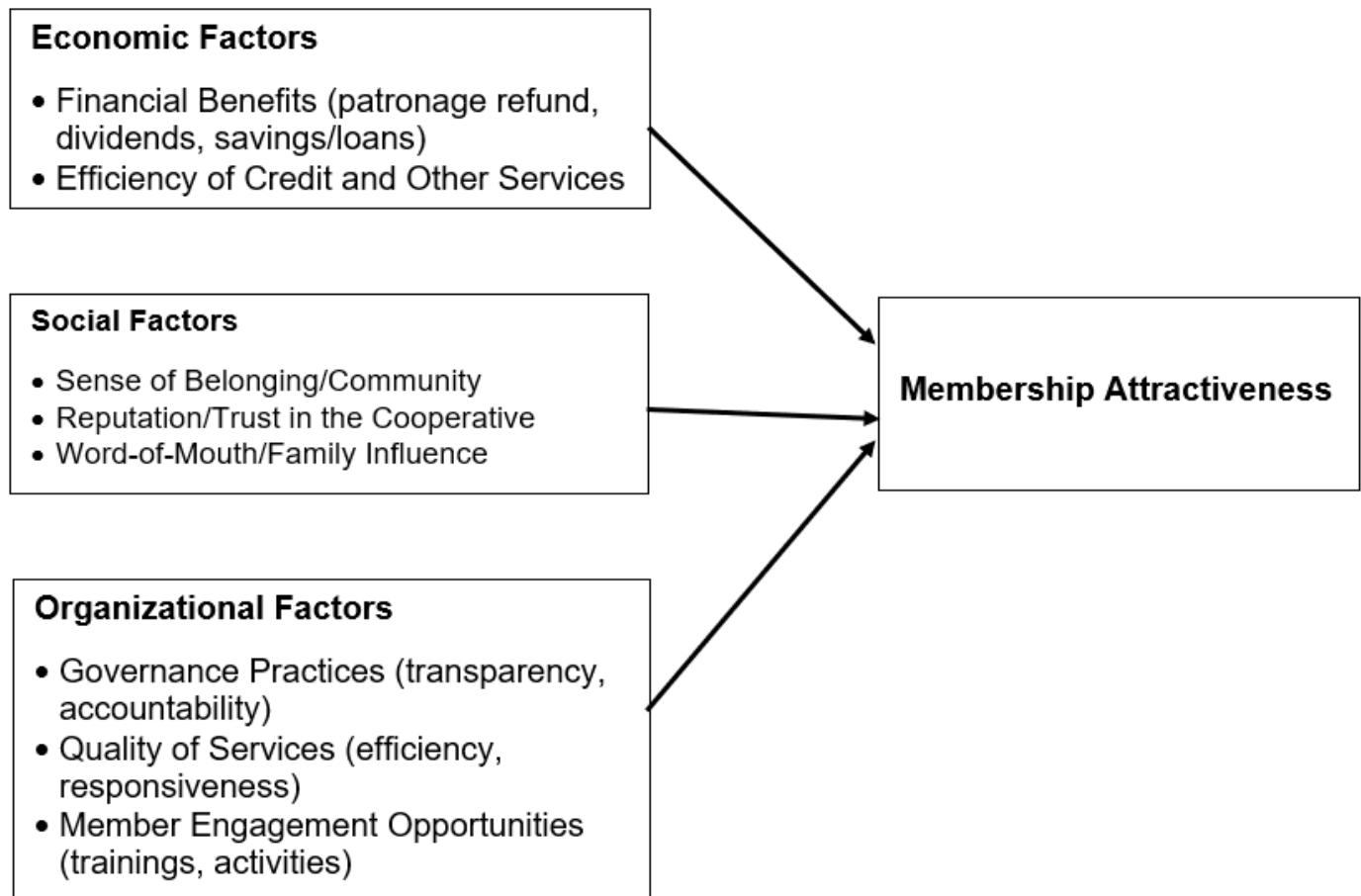


Figure 1. Schematic Presentation of the Study

Research Questions

The main objective of this study is to determine the influence of economic, social, and organizational factors on membership attractiveness of the cooperative. Specifically, this study aims to investigate the following:

What is the participants' assessment of the cooperative's economic factors in terms of:

- 1.1. financial benefits; and
- 1.2. efficiency of credit and other services?

What is the participants' assessment of the cooperative's social factors in terms of:

- 1.3. sense of belonging/community;
- 1.4. reputation/trust in the cooperative; and
- 1.5. word-of-mouth/family influence?

What is the participants' assessment of the cooperative's organizational factors in terms of:

- 3.1. governance practices;

- 3.2. quality of services; and
- 3.3. member engagement?

What is the participants' assessment of the cooperative's membership attractiveness?

Do the participants' assessment of the economic, social, and organizational factors significantly influence membership attractiveness?

METHODOLOGY

Descriptive-correlational research design was used in this study. A total of 132 participants participated in this study, selected through random sampling among employees who are non-members of the cooperative. Data were collected using a standardized researcher-made survey questionnaire administered through Google Forms. The questionnaire was divided into four parts: (1) economic factors, (2) social factors, (3) organizational factors, and (4) membership attractiveness. Items were developed based on the theoretical framework and supported by related studies to ensure validity and relevance. For data analysis, frequency and mean distribution were used to determine the participants' assessment of economic factors, social factors, organizational factors, and membership attractiveness; standard deviation was applied to measure variability on responses; and multiple regression analysis was employed to test the influence of economic factors, social factors, organizational factors, on membership attractiveness.

RESULTS AND DISCUSSION

Assessment of the Cooperative's Economic Factors

Table 1 presents the summary of the mean, standard deviation and interpretation of the participants' assessment of the cooperative's economic factors

Table 1 Summary of the Results of the Cooperative's Economic Factors

Dimensions	Mean	SD	Interpretation
Financial Benefits	4.04	.66	High
Efficiency of Credit and Other Services	3.93	.79	High

Overall, the participants viewed the economic factors in terms of financial benefits and efficiency of credit and other services highly. Financial Benefits received a high mean score ($M = 4.04$), showing that participants generally feel the cooperative helps improve their members' financial situations, with similar views across participants. This is consistent with Hilario's (2022) points that lasting benefits make membership dependable. Efficiency of Credit and Other Services also scored high ($M = 3.93$), indicating that participants believe the cooperative provides members efficient credit and support services, although experiences vary slightly. High ratings on emergency loans (e.g. medical/dental loans) and savings accounts (e.g. time deposit) highlight the cooperative's role in meeting urgent needs and encouraging financial discipline, aligning with Abella and Bation's (2024) view that clear benefits incentives increase attractiveness. Clear loan procedures and timely processing further strengthen trust, reflecting Malabarbas et al.'s (2022) emphasis on transparency and accountability in financial services. However, lower ratings on inclusivity for non-regular employees and transparency in fee breakdowns point to areas that need improvement, suggesting that members may feel less included or less informed. In general, the findings confirm that the cooperative is seen as beneficial and supportive of members economic needs but inclusivity, transparency, and communication must be enhanced to raise confidence and satisfaction to the highest level.

Assessment of the Cooperative's Social Factors

Table 2 presents the summary of the mean, standard deviation and interpretation of the participants' assessment of the cooperative's social factors

Table 2 Summary of the Results of the Cooperative’s Social Factors

Dimensions	Mean	SD	Interpretation
Sense of Belonging/Community	3.92	.73	High
Reputation or Trust in the Cooperative	3.87	.82	High
Word-of-Mouth/Family Influence	3.78	.73	High

Overall, the participants viewed the social factors in terms of sense of belonging, reputation or trust, and word-of-mouth/ family influence highly. Sense of Belonging or Community received a high mean score ($M = 3.92$), showing that participants generally feel that members are connected to the cooperative and value the community it fosters, which supports Hilario’s (2022) point that interaction and shared experiences build belonging. Reputation or Trust in the Cooperative also scored high ($M = 3.87$), indicating that participants believe the cooperative is reliable and trustworthy, though perceptions vary slightly among participants. This emphasized Malabarbas et al.’s (2022) view on consistent reporting to sustain credibility. Word-of-Mouth and Family Influence obtained a high mean score as well ($M = 3.78$), confirming Abella and Bation’s (2024) view that recommendations from family and peers play a role in encouraging membership, though this factor was rated somewhat lower compared to belonging and trust. In general, the findings confirm that the cooperative is seen as a trusted and community-oriented organization but recognition, communication, and inclusivity could be improved.

Assessment of the Cooperative’s Organizational Factors

Table 3 presents the summary of the mean, standard deviation and interpretation of the participants’ assessment of the cooperative’s organizational factors

Table 3 Summary of the Results of the Cooperative’s Organizational Factors

Dimensions	Mean	SD	Interpretation
Governance Practices	3.82	.79	High
Quality Services	3.86	.78	High
Member Engagement	3.98	.74	High

Overall, the participants viewed the organizational factors in terms of governance practices, quality services, and member engagement highly. Governance Practices received a high mean score ($M = 3.82$), showing that participants generally believe that the cooperative maintains sound governance, though perceptions vary slightly among participants. This supports Malabarbas et al.’s (2022) view that clear financial reporting builds trust. Quality Services also scored high ($M = 3.86$), indicating that participants recognize the cooperative’s ability to deliver reliable services that meet their needs. Although, lower rating on responsiveness suggest that support systems need improvement. This is consistent with Hilario’s (2022) emphasis on efficiency and responsiveness. Member Engagement obtained the highest mean score ($M = 3.98$), suggesting that participants feel that members are actively involved in cooperative activities and decision-making processes, with relatively consistent views across respondent. This aligns with Abella and Bation’s (2024) point that inclusivity and learning opportunities strengthen opportunities. In general, the findings suggest that the cooperative is seen as well-governed, service-oriented, and participatory. This highlights the importance of maintaining strong governance, ensuring service quality, and fostering member involvement to sustain membership attractiveness.

Assessment of the cooperative’s membership attractiveness

Table 4 presents the summary of the mean, standard deviation and interpretation of the participants’ assessment of the cooperative’s membership attractiveness.

Table 4 Summary of the Results of the Cooperative’s Membership Attractiveness

Dimensions	Mean	SD	Interpretation
Membership Attractiveness	3.97	.70	High

Overall, the participants viewed the cooperative’s membership attractiveness highly. The results showed that employees find the cooperative attractive because of value and benefits. With a high mean score ($M = 3.97$), indicating that participants generally see strong value in membership, though some remain cautious depending on personal experiences. Participants view the cooperative as dependable support for financial and personal need over time, consistent with Hilario’s (2022) point that lasting benefits increase appeal. This also aligns Abella and Bation’s (2024) view that visible incentives strengthen attractiveness. Malabarbas et al. (2022) also stressed that clear and accountable practices help employees see cooperative as good investment and improve trust in their sustainability and returns. Overall, the findings showed that attractiveness depends on long-term-value, tangible benefits, and financial transparency. These results fit the literature that cooperatives stay appealing when they balance stability, incentives, and accountability.

The Influence of Economic, Social and Organizational Factors on Membership Attractiveness

Table 5 presents the multiple regression analysis testing the influence of economic, social and organizational factors to membership attractiveness

Table 5 Multiple Regression Analysis on the Influence of Economic, Social and Organizational Factors to the Cooperatives Membership Attractiveness

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.269	.150		1.790	.076
Economic	.325	.078	.316	4.168**	.000
Social	.045	.089	.045	.506	.614
Organizational	.574	.081	.588	7.070**	.000
Model Summary					
R = .914 R ² = .835 Adjusted R ² = .831 F = 215.64 p = .000					

**significant at 0.01 level

Overall, the findings indicated that membership attractiveness is primarily driven by how well the cooperative is managed (organizational strength) and what economic benefits it delivers, while the social dimension appears less influential in direct statistical terms. Consequently, cooperatives aiming to increase membership attractiveness should prioritize improving internal organizational performance. Strengthening governance and transparency and expanding financial or livelihood-related programs for members. It is worth noting that social factors may function more as ‘hygiene factors’ – important baseline expectations that members assume will be present, but do not necessarily motivate attractiveness on their own. While social belongingness continues to reflect the cooperative identity, it is the cooperative’s organization capability and economic value that most strongly predict its appeal to potential and existing members.

This result suggests that members tend to weigh practical benefits and reliable systems more heavily than symbolic identity when deciding to join. In other words, organizational efficiency and economic programs form the foundation of trust and attractiveness, while social belonging plays more of a supporting role once membership is established. These findings are consistent with Hilario (2022), who pointed out that strong governance and structured management practices are essential in sustaining members’ confidence, since accountability reassures members of stability. Likewise, the study is also consistent with the study of Malabarbas et al. (2022), who stressed that transparency and consistent reporting of financial activities strengthen credibility, making cooperatives more appealing to potential members. Compared with these earlier studies, the present research goes further by showing that organizational and economic factors not only sustain

existing members but also strongly influence non-members' decisions to join. This highlights that although social identity remains an important part of cooperative culture, it is the strength of organizational systems and the economic benefits they deliver that most directly shape membership attractiveness for both current and potential members.

CONCLUSIONS

Based on the findings, this study concludes that the cooperative economic factors significantly contribute to membership attractiveness. Financial benefits such as emergency loans and saving program are decisive motivators, showing that members value practical support that strengthens household financial stability. The study also concludes that organizational factors are the strongest determinant of membership attractiveness. Governance practices, service quality, and member engagement directly shape credibility and trust, confirming that transparency, accountability, and responsiveness are critical in sustaining membership appeal. In contrast, social factors, while valued for retention and satisfaction, did not have a significant effect on membership attractiveness. This supports the rejection of the null hypothesis, confirming that membership attractiveness is explained primarily by economic and organizational conditions.

Overall, the study concludes that cooperative membership attractiveness is shaped most by organizational strength and economic value, while social dimensions play a supportive but indirect role. Thus, the cooperatives' ability to deliver financial benefits and maintain strong governance practices is the key to sustaining and expanding membership. These findings confirm Social Exchange Theory, as employees commit when benefits outweigh costs. Moreover, this aligns with Stakeholder Theory, which emphasizes transparency and accountability in meeting expectations. Furthermore, this also confirms Member Commitment Theory, showing that membership is more attractive when employees feel connected. Together, these theories explain why organizational and economic factors are key drivers of membership attractiveness.

RECOMMENDATIONS

For the Management of the Cooperative

- Strengthen governance and transparency by giving regular updates through bulletins, online posts, or SMS alert on cooperative performance, dividends, and financial programs.
- Enhance promotion and awareness by conducting regular membership orientations for non-members and prepare bulletins that showcase the cooperative's benefits, programs, and achievements to strengthen visibility.
- Improve efficiency by clearly communicating loan processing timelines and assign trained staff to address concerns.
- Institutionalize feedback systems through surveys and formal channels to capture member suggestion.
- Professionalize operations and systems by giving continuous training to officers and staff and implement standard operating procedures (SOPs) for financial and membership transactions.

For the Management of the Government Agency

- Support and assist the cooperative by providing resources that could help the cooperative in implementing initiatives especially on the conduct of trainings and in promoting digital transformation.
- Collaborate with the cooperative to create loan products that match employees' needs such as educational, and livelihood loans.

For the Regulatory Body of Cooperatives

- Expand technical assistance on the conduct of workshops that emphasize practical skills in governance, financial management, digital service delivery, and design of sustainable loan and savings products.
- Broaden recognition and promote best practices of cooperatives excelling in governance and economic programs that are easy to replicate.

For the Members of the Cooperative

- Actively participate in cooperative governance, make responsible use of economic benefits, and provide constructive feedback through official channels.
- Support cooperative growth by promoting membership to non-members, share the cooperative's benefits and programs, encouraging eligible employees to join.

For Future Researchers

- Examine additional factors influencing membership attractiveness such as leadership style, cooperative culture, financial literacy and external economic conditions.
- Conduct longitudinal studies by tracking changes in membership behavior over time to understand how changes on organizational and financial programs lead to lasting attractiveness.
- Use advanced research methodologies by combining quantitative and qualitative approaches to get a fuller picture of cooperative dynamics. Apply advanced statistical tools to confirm findings and provide deeper analysis.

Compliance With Ethical Standards

Prior to the start of the study, ethical clearance was secured through the Lourdes College Research Ethics Committee (LC REC). This is to make sure that all research work follows the ethical standard of carrying out research on human subjects. Following approval, the researcher also sought formal approval from the appropriate officers of government agency to secure their cooperation and ensure ethical compliance.

Upon approval to conduct survey, the researcher coordinated with point persons in each field offices to assist in disseminating the google form survey questionnaires among regular and non-regular employees. A short consent form was placed at the beginning of the survey, informing participants of the purpose of the study, guaranty anonymity and confidentiality, and emphasizing that participation is voluntary with no risk of harm and the option to withdraw at any time. The survey included structured questions on economic, social, organizational factors and membership attractiveness, using a 5-point Likert scale. Participants were given two weeks to accomplish the survey with reminders sent through the point persons to ensure timely responses. All responses were checked for completeness and consistency, and once the period ended, the form was closed to prevent unauthorized entries. Only valid questionnaires were included in the analysis, with data securely encoded, and no personal information collected or published. Access to the raw data was restricted to the researcher, and after the study, responses were anonymized, and archived for verification, and permanently deleted from the online account to protect privacy.

This structured and ethical data gathering approach ensures that the process is respectful, non-intrusive, and aligned with academic and institutional research standards.

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