

# Organizational Development Capacity of Coconut Farmer Cooperatives in Camarines Sur, Philippines: A Multidimensional Assessment

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## ABSTRACT

This study examines the multidimensional organizational development capacity of coconut farmer cooperatives in Camarines Sur, Philippines, addressing a critical gap in the literature that often treats cooperative performance as fragmented or purely economic. Using an exploratory sequential mixed-methods design, qualitative insights from 20 cooperative leaders were integrated with survey data from 99 respondents to assess key dimensions, including leadership, resource management, operations, financial governance, and external linkages. Findings reveal that while cooperatives demonstrate relatively strong leadership and material resource management, financial management remains the weakest dimension, constraining long-term sustainability. Persistent challenges, such as low member participation, aging membership, and limited youth engagement, further compound institutional vulnerability. Drawing on social capital theory, resource dependence theory, and systems thinking, the study shows that cooperative performance is shaped by the interaction of internal capacities and external networks. The results highlight a condition of “partial organizational maturity,” where operational stability coexists with structural fragility. The study contributes a theoretically integrated and empirically grounded framework for understanding cooperative development and offers policy-relevant insights to strengthen financial governance, participatory leadership, and multi-stakeholder collaboration, thereby enhancing resilience and competitiveness in agricultural cooperatives.

**Keywords:** Organizational development capacity, agricultural cooperatives, coconut farmer cooperatives, financial management, social capital, resource dependence, cooperative sustainability.

## INTRODUCTION

Organizational development (OD) has become an indispensable, evidence-based discipline for strengthening organizational effectiveness, adaptability, and long-term sustainability in increasingly volatile and complex environments. Grounded in behavioral science, OD uses planned, systematic interventions to align organizational structures, leadership systems, processes, and culture with strategic objectives (Lewin, 1951; Beckhard, 1969; Cummings & Worley, 2015). For agricultural cooperatives, OD is especially critical because it equips collective institutions to navigate market volatility, resource constraints, and institutional challenges while empowering smallholder farmers through improved governance and service delivery (Birchall, 2004; Cook & Burress, 2009).

The Philippine coconut industry underscores the need to strengthen organizational capacity. As one of the world's leading producers of coconut and coconut-based products, the sector plays a vital role in rural employment, export earnings, and poverty alleviation (Philippine Coconut Authority [PCA], 2023; Food and Agriculture Organization [FAO], 2021). Yet it continues to face persistent structural challenges, including low productivity, aging plantations, fragmented value chains, limited value addition, and inadequate access to finance, technology, and extension services (Briones, 2017; Habito & Briones, 2005; United States Department of Agriculture [USDA], 2022). These issues are especially pronounced in coconut-dependent provinces such as Camarines Sur, where smallholder farmers rely heavily on cooperative systems to participate in the economy.

Farmer cooperatives are widely recognized as key institutional mechanisms for addressing these constraints. By facilitating collective action, they enhance bargaining power, improve access to inputs and markets, and create opportunities for value addition and enterprise development (Markelova et al., 2009; Bernard & Spielman, 2009). In the Philippine context, institutions such as the Cooperative Development Authority (CDA) and PCA provide support through training, financing, and technical assistance. However, the effectiveness of these interventions depends largely on cooperatives' internal organizational capacity, defined as their ability to mobilize resources, implement strategies, maintain governance integrity, and adapt to changing environments (Eade, 2007; Horton et al., 2003).

Existing literature identifies leadership as a central driver of organizational capacity, shaping strategic direction, governance quality, and decision-making processes (Francesconi & Ruben, 2012). Complementary dimensions, including material resource management, operational efficiency, financial governance, and collaborative linkages, also play critical roles in determining cooperative performance (Kapucu et al., 2011; Milovanovic & Erjavec, 2010). However, most empirical studies have examined these dimensions in isolation, often focusing on economic outcomes, governance, or technical efficiency rather than treating organizational capacity as an integrated, multidimensional construct (Chaddad & Cook, 2004; Bijman et al., 2012).

This study addresses this critical gap and offers a novel contribution by adopting a multidimensional organizational development framework that treats leadership, material resource management, operational management, financial management, and collaboration as interrelated components of cooperative capacity. Unlike prior studies that emphasize single dimensions of performance, this research provides an integrated, context-specific analysis of how these capacities interact to shape organizational functioning and long-term sustainability. Furthermore, by focusing on coconut farmer cooperatives in Camarines Sur, an empirically underexplored yet economically significant context, the study generates localized evidence that advances understanding of cooperative development in the Philippine agricultural sector.

The present study therefore provides a comprehensive assessment of organizational development capacity among coconut farmer cooperatives in selected municipalities in Camarines Sur. It examines the relative contributions and interactions of key organizational dimensions to overall capacity. By generating granular, contextually grounded insights, the research aims to inform evidence-based policy, strengthen institutional support mechanisms, and contribute to the broader discourse on cooperative resilience, organizational development, and sustainable rural transformation.

### **Objectives of the Study**

This study aimed to:

1. Describe the socio-demographic profile of the respondents;
2. Assess the multidimensional level of organizational development capacity in terms of leadership, material resource management, operational management, and financial management;
3. Determine the role of collaboration and networking in organizational development capacity; and

4. Identify key challenges and propose solutions to enhance the organization's capacity for organizational development.

## METHODOLOGY

The study employed an exploratory sequential mixed-methods design grounded in the framework of John W. Creswell and Vicki L. Plano Clark to comprehensively assess the organizational development capacity of coconut farmer cooperatives in selected municipalities of Camarines Sur. This design was appropriate because it enabled an initial qualitative exploration of key organizational dimensions, followed by a quantitative phase to validate and generalize emergent patterns. The study focused on cooperative officers directly involved in governance and decision-making, ensuring that the data reflected informed perspectives with strong institutional relevance. In the qualitative phase, purposive sampling was used to select 20 key informants in leadership roles (e.g., chairpersons, managers, treasurers), consistent with the goal of capturing information-rich cases. The sample size was deemed adequate upon reaching theoretical saturation, when no new themes emerged, thereby strengthening the depth and validity of qualitative insights.

The quantitative phase used a cross-sectional survey design with 99 respondents selected through stratified purposive sampling to ensure representation across cooperatives with varying operational capacities and geographic locations. This sampling strategy was justified by the relatively small and specialized population of cooperative officers in the study area, allowing sufficient coverage and variability in organizational characteristics. Data were collected using a structured questionnaire with Likert-scale measures to assess multiple dimensions of organizational capacity. Qualitative data were analyzed using the thematic analysis approach of Virginia Braun and Victoria Clarke, employing a hybrid inductive–deductive coding strategy, while quantitative data were examined using descriptive statistics. Integration of findings occurred during the interpretation phase, enabling triangulation and deeper explanation of observed patterns, consistent with a grounded theory-informed mixed-methods approach.

Ethical considerations were rigorously observed throughout the study. The research protocol was reviewed and approved by an institution before data collection, ensuring adherence to established ethical standards for research involving human subjects. All participants received clear information about the study's objectives, procedures, potential risks, and benefits, and provided written informed consent before participating. Respondents were assured of voluntary participation and their right to withdraw at any time without consequence. Confidentiality and anonymity were strictly maintained, and all data were securely stored and accessed only by the research team, ensuring full compliance with data protection and ethical research practices.

## RESULTS AND DISCUSSION

### Socio-Demographic Characteristics and Structural Context

The socio-demographic profile of respondents provides a critical lens for understanding the organizational development capacity of coconut farmer cooperatives, as these characteristics shape participation patterns, decision-making processes, and institutional sustainability.

### Age Structure and Farming Experience

The findings reveal that coconut farming in the study area is predominantly sustained by an aging population, with 44.44% of respondents aged 61 years and above and 50.50% possessing more than 31 years of farming experience. This demographic structure indicates a high level of accumulated experiential knowledge, which contributes to production stability and localized expertise. From the perspective of human capital theory, experiential learning constitutes a form of tacit knowledge that enhances productivity and decision-making (Becker, 1964).

However, the dominance of older farmers also raises concerns regarding long-term sustainability and adaptive capacity. Aging farming populations are generally associated with increased risk aversion and slower adoption

of innovation, particularly in technology-intensive or market-oriented transitions (Liu et al., 2023). In cooperative contexts, this may constrain organizational transformation, limit responsiveness to market dynamics, and weaken succession pipelines. Thus, while experience strengthens institutional memory and stability, it simultaneously underscores the urgency of youth engagement strategies to ensure intergenerational continuity and innovation (Candemir et al., 2021).

Table 1. Age Structure and Farming Experience of the Respondents in Camarines Sur

VARIABLES	FREQUENCY (n=99)	PERCENTAGE (%)
<b>Age</b>		
61 years old and above	44	44.44
51-60 years old	25	25.25
41-50 years old	22	22.22
40 years old and below	8	8.08
<b>Total</b>	<b>99</b>	<b>100.00</b>
<b>Farming Experience</b>		
31 years old and above	50	50.50
21-30 years old	15	15.15
11-20 years old	23	23.23
10 years and below	11	11.11
<b>Total</b>	<b>99</b>	<b>100.00</b>

### Gender Composition, Marital Status, and Educational Attainment

The gender distribution is nearly balanced (50.50% male; 49.49% female), suggesting that both men and women actively participate in cooperative activities. This reflects broader rural development trends where women play significant roles in agricultural production, post-harvest management, and household-level financial decisions (FAO, 2022). However, participation does not necessarily equate to empowerment; structural constraints in access to land, credit, and leadership positions often persist. Consequently, gender-responsive organizational development remains essential to ensure equitable participation and leadership representation.

The predominance of married respondents (79.80%) indicates that coconut farming is embedded within household-based production systems. Family farming literature emphasizes that household dynamics significantly influence labor allocation, risk management, and institutional engagement (FAO, 2025). This implies that cooperative interventions should adopt a family-centered approach to capacity building, recognizing the role of spouses and household members in decision-making processes.

In terms of educational attainment, the majority of respondents possess secondary-level education, with 30.30% high school graduates and 25.25% at high school level. While this level of formal education may limit advanced managerial and financial competencies, it does not preclude effective farming practices, which are often acquired through experience. Nevertheless, education remains a critical determinant of innovation adoption and institutional participation (Tatis Diaz et al., 2022). This finding highlights the importance of tailored extension services and continuous capacity-building programs that translate technical knowledge into accessible and practical formats.

Table 2. Gender, Marital Status and Educational Attainment of the Respondents in Camarines Sur

VARIABLES	FREQUENCY (n=99)	PERCENTAGE (%)
<b>Gender</b>		
Male	50	50.50
Female	49	49.49
<b>Total</b>	<b>99</b>	<b>100.00</b>

<b>Marital Status</b>		
Single	5	5.05
Married	79	79.80
Widow/Widower	13	13.13
Separated	2	2.02
<b>Total</b>	<b>99</b>	<b>100.00</b>
<b>Educational Attainment</b>		
College Graduate	8	8.08
College Level	12	12.12
Vocational Graduate	3	3.03
Highschool Graduate	30	30.30
Highschool Level	25	25.25
Elementary Graduate	13	13.13
Elementary Level	8	8.08
<b>Total</b>	<b>99</b>	<b>100.00</b>

### Land Tenure, Farm Size, and Livelihood Diversification

The results indicate that 61.61% of respondents are farm owners, while 33.33% are tenants, reflecting a mixed tenure structure within the coconut sector. Small landholdings dominate, with most respondents cultivating between 1–3 hectares. These patterns are characteristic of smallholder agricultural systems, where limited scale constrains productivity, market access, and investment capacity.

From the standpoint of collective action theory, such structural limitations reinforce the necessity of cooperatives as institutional mechanisms for aggregation, risk-sharing, and market integration (Olson, 1965; Markelova et al., 2009). However, tenancy arrangements may reduce incentives for long-term investment and restrict access to formal credit, thereby limiting the effectiveness of cooperative interventions.

The presence of multiple income sources further indicates widespread livelihood diversification, a common strategy among smallholder farmers to mitigate income volatility and production risks. While diversification enhances household resilience, it also suggests that coconut farming alone may not provide sufficient economic returns. This underscores the need for cooperatives to promote value-added enterprises, product diversification, and improved market linkages to enhance income stability and profitability (Zhang et al., 2024).

Table 3. Land Tenure, Income Diversification and Livelihood Resilience

VARIABLES	FREQUENCY (n=99)	PERCENTAGE (%)
<b>Tenurial Status</b>		
Farm Owned	61	61.61
Tenant	33	33.33
Lease holder	3	3.03
Share holder	2	3.02
<b>Total</b>	<b>99</b>	<b>100.00</b>
<b>Land devoted to Coconut</b>		
4 hectares and above	25	25.25
2–3 hectares	32	32
1–2 hectares	36	36
Less than 1 hectare	6	6
<b>Total</b>	<b>99</b>	<b>100.00</b>
<b>VARIABLE</b>	<b>FREQUENCY</b>	<b>RANK</b>
<b>Other source of income</b>		

Farmer	52	1
Businessman	16	2
Government Employee	13	3
Non-Government Employee	4	4
Fisherman	3	5

### Training Participation and Capacity Development

The findings indicate that coconut farmer cooperatives have substantial access to training, particularly in product development and governance, reflecting ongoing capacity-building support and investment in human capital. From the perspective of Human Capital Theory (Becker, G. S., 1964), such training enhances members’ knowledge and skills, contributing to improved productivity, innovation adoption, and organizational performance. This is especially relevant for strengthening value addition and decision-making within cooperatives. However, participation in training should not be equated with actual organizational improvement, as attendance does not necessarily guarantee the application or institutionalization of acquired competencies.

A critical issue emerging from the findings is the mismatch between training focus and organizational needs. Despite strong participation in technical and governance training, financial management remains the weakest capacity area, largely due to lower engagement in financial literacy programs. This imbalance suggests that training provision may be supply-driven rather than needs-based, limiting its effectiveness in addressing core organizational weaknesses. From an Organizational Development perspective (Cummings, T. G., & Worley, C. G., 2015), capacity-building initiatives must be strategically aligned with identified gaps, particularly in financial governance, accounting systems, and risk management, to generate meaningful and sustainable organizational improvements.

Furthermore, the limited emphasis on financial training has broader institutional implications, particularly for persistent issues such as poor financial management and loan delinquency. Without strengthening financial competencies, cooperatives may struggle to ensure accountability, maintain capital sustainability, and support long-term growth. This also aligns with Resource Dependence Theory (Jeffrey Pfeffer and Gerald R. Salancik, 1978), in which external agencies influence the type of training provided, potentially overlooking critical internal needs. Overall, while access to training is a positive development, its impact remains constrained unless it becomes more targeted, inclusive, and responsive to the cooperatives’ most pressing financial and institutional challenges.

**Table 4. Training Participation and Capacity Development of the Respondents**

VARIABLES	FREQUENCY	RANK
Coconut Product Development processing	50	1
Fundamentals of Cooperative and cooperative governance and management	27	2
Basic Accounting for non-accountant and financial literacy	16	3
Capacity building for Agrarian Reform Beneficiaries	3	4
Farmers training for good practices on coconut farming	1	5

The socio-demographic profile of respondents reflects a complex interplay of strengths and challenges. The presence of experienced farmers with training exposure establishes a solid foundation for organizational development. Nonetheless, issues such as aging membership, limited formal education, land tenure insecurity, and economic vulnerability remain prevalent. These findings indicate that enhancing the organizational development capacity of coconut farmer cooperatives necessitates a multidimensional strategy that incorporates human capital development, gender inclusion, livelihood diversification, and institutional support.

Cooperatives are required to move beyond their conventional functions and serve as dynamic platforms for innovation, enterprise growth, and social inclusion. This requires promoting youth engagement to mitigate demographic aging, establishing gender-equitable leadership structures, improving tenant farmers' access to resources, and supporting diversified, value-added livelihood strategies. By aligning organizational development initiatives with the socioeconomic contexts of their members, coconut farmer cooperatives can play a transformative role in enhancing rural livelihoods and ensuring the coconut industry's sustainable future.

### Organizational Development Capacity

The assessment of organizational development capacity indicates generally positive performance across dimensions, though with notable differences. These findings underscore the multidimensional nature of organizational effectiveness and the need for balanced capacity development.

### Leadership Capacity

The leadership capacity score (mean = 3.16) indicates a functional and stable level of leadership, particularly in communication, decision-making, and team coordination. This suggests that cooperative officers are capable of sustaining day-to-day operations and maintaining internal cohesion. In cooperative settings, these competencies are essential for democratic governance and collective action. From the perspective of Transformational Leadership Theory, this reflects leaders' ability to influence members, promote cooperation, and maintain a shared organizational direction (Bernard M. Bass, 1985).

The findings also indicate that leadership is relational and participatory, rather than hierarchical. Strengths in communication and coordination suggest that leadership is exercised through consultation and member engagement, consistent with Participatory Development Theory, which emphasizes inclusion and shared decision-making (Robert Chambers, 1994). Such participatory practices strengthen trust, accountability, and member ownership, reinforcing cooperative sustainability and reflecting a governance culture where members actively shape organizational direction.

The moderate rating highlights a discrepancy between operational and strategic leadership. While leadership currently supports daily management tasks, it may fall short in fostering innovation, long-term planning, and responding effectively to external challenges. This is consistent with research showing that strong leadership improves social capital and organizational performance by connecting internal skills with external opportunities (Bernard et al., 2010; Francesconi & Wouterse, 2015). Therefore, leadership remains a key but underdeveloped skill area, needing further development in strategic vision, change management, and succession planning to build long-term resilience and competitiveness.

Table 5. Level of Organizational Development Capacity of Coconut Cooperatives in terms of Leadership in Selected Municipalities of Camarines Sur.

VARIABLES	WEIGHTED SCORE	INTERPRETATION
Effective as a leader in guiding and influencing the team	3.24	A
Communication skills contribute to effective leadership within the cooperative	3.24	A
Effective in making timely and sound decisions that positively impact the cooperative	3.14	A
Effective in fostering a collaborative and cohesive environment within your team or cooperative	3.09	A
Successful in resolving conflicts and maintaining a harmonious working atmosphere among team members	3.22	A
Invest in the professional development and growth of your team members	3.15	A
Had the ability to adapt to changes and challenges, ensuring the cooperative remains resilient and forward-	3.05	A

thinking		
<b>Grand Mean</b>	<b>3.16</b>	A

### Material Resource Management

The high mean score (3.50) indicates that cooperatives demonstrate strong capacity for managing material resources, particularly in procurement, inventory control, and allocation. This suggests operational efficiency in sustaining daily activities and ensuring the availability of inputs. From the Resource-Based View, this capability reflects the effective organization and deployment of tangible resources to support performance and continuity (Jay B. Barney, 1991). In agricultural cooperatives, this strength reduces inefficiencies, minimizes shortages, and enhances service delivery to members.

This result also points to institutional routinization and internal coordination, in which established procedures guide procurement and stock management. This aligns with Systems Theory, which views organizations as interconnected subsystems whose alignment enhances overall effectiveness (Ludwig von Bertalanffy, 1968). The cooperatives' ability to manage tangible resources efficiently indicates a well-functioning operational subsystem and accumulated practical experience with routine organizational processes.

This strength should be viewed with caution. Effective material management does not automatically lead to overall organizational success, especially in complex areas like financial governance and strategic planning. The difference between strong resource management and weaker financial systems reflects uneven organizational growth, where operational efficiency surpasses governance capabilities. From an organizational development standpoint, this imbalance can cause vulnerability, as long-term sustainability relies on both physical assets and robust financial and strategic systems. Therefore, although material resource management is a notable institutional strength, it is only a part of the larger picture and needs to be complemented by stronger financial and managerial skills to achieve comprehensive growth and resilience.

Table 6. Level of Organizational Development Capacity of Coconut Cooperative Leaders in terms of Material Resources Management in the Selected Municipalities of Camarines Sur.

VARIABLES	WEIGHTED SCORE	INTERPRETATION
Cooperative's current system for inventory management is effective.	3.61	SA
Allocation of resources within the cooperative is effective.	3.55	SA
Procurement processes in acquiring quality materials is effective.	3.39	SA
Utilization of available resources to meet organizational goals is effective.	3.49	SA
Level of coordination and communication in material resource planning is effective.	3.57	SA
Cooperative's ability to adapt to changes in material supply and demand is effective.	3.37	SA
<b>Grand Mean</b>	<b>3.50</b>	<b>SA</b>

### Operational Management

The mean score of 3.12 indicates that cooperatives exhibit a functional but moderately developed level of operational management, enabling them to sustain daily activities, coordinate tasks, and maintain basic service delivery. This reflects a working capacity to align internal processes with environmental demands, consistent with Contingency Theory, which posits that organizational effectiveness depends on the fit between internal systems and external conditions (Paul R. Lawrence & Jay W. Lorsch, 1967). In the context of agricultural

cooperatives, this suggests a basic adaptive capacity to manage uncertainty, seasonal variability, and fluctuating market conditions.

However, the moderate rating also indicates that operational systems are adequate but not fully institutionalized or optimized. Processes may rely on informal coordination, experience-based routines, and leader-dependent decision-making rather than standardized procedures. This limits consistency, transparency, and resilience, particularly under conditions of organizational stress or external shocks. Empirical insights (e.g., Bijman et al., 2012) emphasize that efficiency improves when workflows, monitoring systems, and process controls are formalized. Thus, current operational effectiveness appears maintenance-oriented rather than innovation-driven, supporting continuity but constraining higher levels of efficiency and strategic responsiveness.

Operational management acts as a connector across different parts of an organization, shaping how leadership, resources, and financial systems produce results. If its effectiveness is only moderate, it can weaken overall organizational performance, even if other areas are strong. However, having functional systems provides a basis for strengthening the institution. Improving standard operating procedures, adopting digital tools, and upgrading monitoring and evaluation systems can turn current routines into more resilient and flexible processes. In summary, operational management is a viable but delicate capability that needs further formalization to ensure long-term sustainability and competitiveness.

Table 7. Level of Organizational Development Capacity of Coconut Cooperative Leaders in terms of Operational Management of the respondents of Selected Municipalities of Camarines Sur.

VARIABLES	WEIGHTED SCORE	INTERPRETATION
Coconut cooperative has efficient and transparent operational processes.	3.08	A
Members of the coconut cooperative are actively involved in operational activities.	3.18	A
Coconut cooperative regularly assesses and adapts its operations to changing circumstances.	3.12	A
There is a clear and efficient system for resolving conflicts within the coconut cooperative.	3.07	A
Coconut cooperative efficiently utilizes manpower to achieve its operational goals.	3.03	A
Financial resources are strategically deployed to enhance operational efficiency.	3.07	A
Coconut cooperative maximizes the use of other resources.	3.20	A
Operational decisions are made with consideration for sustainability and long-term viability.	3.24	A
<b>Grand Mean</b>	<b>3.12</b>	<b>A</b>

### Financial Management

The lowest mean score (3.01) indicates that financial management is the weakest organizational dimension, suggesting that while cooperatives can sustain routine operations, they lack sufficient financial discipline and strategic capacity for long-term sustainability. Weaknesses in financial reporting, risk management, and strategic planning point to limitations not only in technical accounting but also in governance. From the perspective of Agency Theory, inadequate financial transparency creates information asymmetry between leaders and members, weakening accountability and potentially undermining trust (Michael C. Jensen & William H. Meckling, 1976).

These weaknesses constrain broader organizational performance. Poor financial systems limit effective

planning, resource allocation, and risk mitigation, reinforcing vulnerability in uncertain agricultural environments. This aligns with financial management theory, which emphasizes budgeting, liquidity control, and risk management as essential to sustainability. Moreover, the imbalance between relatively stronger operational and resource management capacities and weaker financial governance reflects uneven development, consistent with Organizational Development Theory, which stresses the need for integrated capacity-building across organizational subsystems (Wendell L. French & Cecil H. Bell Jr., 1999).

The results also highlight broader structural and institutional limitations. According to Institutional Theory, organizations change in response to external legitimacy pressures, such as demands for transparency, accountability, and formal financial procedures (Paul J. DiMaggio & Walter W. Powell, 1983). Poor financial management can restrict access to funding, partnerships, and market opportunities. Thus, effective financial management is a vital institutional constraint, making it crucial to improve reporting systems, internal controls, and strategic financial planning. These improvements are key to strengthening cooperative resilience, maintaining accountability, and ensuring long-term competitiveness.

Table 8. Level of Organizational Development Capacity of Coconut Cooperative Leaders in terms of Financial Management of the respondents in Selected Municipalities of Camarines Sur.

VARIABLES	WEIGHTED SCORE	INTERPRETATION
Cooperative’s financial planning process meets the strategic goals and objectives effectively.	3.09	A
Budgeting process is well- organized and accurately reflects the financial needs and priorities of the cooperative.	3.01	A
Resources are allocated efficiently and in alignment with organizational priorities.	3.06	A
Financial reports are timely, accurate, and provide comprehensive insights into the cooperative’s performance.	2.99	A
Cooperative has effective strategies in place to identify and manage financial risk.	2.91	A
Investment decisions align with the cooperative's long-term financial goals and contribute positively to its financial health.	3.00	A
Cooperative consistently complies with relevant financial regulations and requirements reporting	3.00	A
<b>Grand Mean</b>	<b>3.01</b>	<b>A</b>

### Collaboration and Networking

The strong recognition of collaboration and networking underscores the critical role of external linkages in enhancing cooperative performance, particularly through access to training, funding, improved decision-making, and innovation. This finding aligns with Social Capital Theory, which emphasizes that networks, trust, and norms facilitate collective action and improve organizational outcomes (Robert D. Putnam, 1993). In cooperative contexts, partnerships provide access to resources, knowledge, and institutional support that are often unavailable internally.

The results also support Resource Dependence Theory, which holds that organizations rely on external relationships to secure critical resources and reduce uncertainty (Jeffrey Pfeffer & Gerald R. Salancik, 1978). Collaboration with government agencies, NGOs, and private-sector actors expands access to financial services, technical expertise, and market opportunities, thereby strengthening cooperative resilience. Moreover, the role of networking in promoting innovation aligns with Diffusion of Innovations Theory, which explains how new ideas spread through social systems (Everett M. Rogers, 2003). Knowledge-sharing platforms, such as training,

extension services, and inter-cooperative exchanges, accelerate the adoption of improved practices. Empirical studies further confirm that strong networks enhance innovation uptake, market integration, and institutional sustainability (Bernard et al., 2010; Markelova et al., 2009; Abate et al., 2014).

Generally, collaboration and networking act as key drivers of organizational growth, complementing internal strengths and boosting competitiveness. Building stronger multi-stakeholder partnerships and institutional connections is crucial to maintaining cooperative development, resilience, and long-term success.

### **Problems Encountered by Cooperatives**

The results point to a structural, not merely operational, crisis within cooperative systems, in which financial, social, and institutional weaknesses reinforce one another in a self-perpetuating cycle. While poor financial management emerged as the most critical issue, it should not be viewed in isolation. Rather, it reflects deeper governance deficiencies, including weak internal controls, inadequate financial literacy, and limited enforcement of accountability mechanisms. Drawing on Institutional Theory, these weaknesses indicate fragile formal institutions in which rules exist but are inconsistently implemented, thereby undermining trust and compliance. Loan delinquency, for instance, is not simply a financial issue but a manifestation of weak institutional discipline, in which the absence of credible sanctions and incentives erodes repayment behavior. This aligns with North's (1990) argument that effective institutions reduce uncertainty by enforcing rules something evidently lacking in these cooperatives.

Equally important is the social dimension reflected in low member participation. From the perspective of Social Capital Theory (Putnam, 1993), participation is both a cause and a consequence of trust, reciprocity, and collective identity within organizations. Declining engagement signals the erosion of bonding and bridging social capital, which weakens collective action and cooperative governance. In practical terms, inactive members reduce oversight, limit democratic decision-making, and concentrate power among a few leaders, conditions that can further aggravate financial mismanagement. Thus, financial and social challenges are mutually reinforcing: weak participation enables poor governance, while poor governance discourages participation.

The issue of limited youth involvement introduces a temporal dimension to the problem, raising concerns about long-term sustainability. From the perspective of Human Capital Theory (Becker, 1964), the absence of younger members implies stagnation in skills, innovation, and adaptive capacity. Younger cohorts are typically more open to adopting new technologies and taking entrepreneurial risks; their exclusion or disengagement therefore constrains modernization efforts. This demographic imbalance also reflects broader rural development challenges, including aging farmer populations and youth migration to urban areas, which further depletes the cooperative's future leadership base.

Technological constraints and limited access to financial services compound these issues by limiting cooperatives' ability to scale, innovate, and integrate into broader markets. These barriers highlight structural inequalities in rural financial systems, where smallholder-based organizations often face credit constraints, high transaction costs, and limited digital infrastructure. Empirical literature (e.g., Feder et al., 2010; Levine, 1997) consistently shows that access to finance and technology is not merely supportive but foundational to productivity and competitiveness. Without them, even well-managed cooperatives struggle to expand operations or diversify income streams.

A critical insight from these findings is the presence of a "capability trap," in which cooperatives remain stuck in low-performance equilibria because of interlocking constraints. For example, poor financial management leads to delinquency, which reduces capital availability and limits investments in training and technology, thereby suppressing members' incentives to participate. This cyclical dynamic suggests that piecemeal interventions, such as isolated training programs, are unlikely to yield sustained improvements.

Instead, the findings strongly support a multidimensional approach to organizational development, as articulated by scholars such as Cummings and Worley (2015). Interventions must be systemic and synchronized. Financial management reforms should be paired with governance strengthening (e.g.,

transparent auditing systems), social capital rebuilding (e.g., participatory decision-making mechanisms), and human capital investments (e.g., youth-focused leadership and entrepreneurship programs). Moreover, external linkages with government agencies, financial institutions, and private-sector partners are essential for breaking structural barriers related to technology and finance.

In sum, the challenges identified are not isolated problems but symptoms of an interconnected system under strain. The critical implication is that cooperative revitalization in the Philippine coconut sector requires integrated, theory-informed strategies that address institutional weaknesses, rebuild social cohesion, invest in human capital, and expand access to enabling resources. Without such holistic intervention, efforts to improve cooperative performance are likely to remain fragmented and unsustainable.

Table 9. Problems Encountered by Coconut Farmer Cooperatives

Variables	Frequency	Ranking
Loan repayment delinquency	33	1.5
Insufficient training and development programs for cooperative member	33	1.5
Poor financial management practices	50	3
Low member participation	28	4
Limited youth involvement	17	5
Technological constraints	15	6
Limited access to financial services	11	7
Political interference	6	8
Inadequate leadership skills	5	9

## CONCLUSION

The findings of this study underscore a critical distinction between organizational functionality and long-term sustainability, revealing that coconut farmer cooperatives in Camarines Sur operate within a condition of partial organizational maturity. While relatively strong in leadership, material resource management, and routine operations, persistent weaknesses in financial governance, member participation, and generational renewal expose structural vulnerabilities that may constrain future resilience and competitiveness. From a theoretical perspective, this imbalance reinforces the propositions of Resource Dependence Theory, which emphasizes the need for strategic access to external resources, and Social Capital Theory, which highlights the role of trust, networks, and participation in sustaining collective action. The findings further align with systems thinking in organizational development, suggesting that cooperatives must be understood as dynamic, interdependent systems rather than as collections of isolated functional capacities.

At the policy level, the results resonate strongly with the institutional mandates of the Cooperative Development Authority and the Philippine Coconut Authority, particularly in advancing cooperative strengthening, financial inclusion, and value chain upgrading under national development frameworks. However, the observed gaps indicate that existing support mechanisms may be insufficiently integrated or unevenly implemented at the local level. This highlights the need for policy coherence that bridges capacity-building programs, access to financial services, and youth engagement initiatives within the broader agenda of inclusive rural development.

From a practice standpoint, the study advances a multidimensional understanding of cooperative development, demonstrating that operational effectiveness alone does not guarantee sustainability. Instead, long-term viability depends on the interaction of financial capability, participatory governance, institutional linkages, and adaptive leadership. Cooperatives are thus positioned at a developmental crossroads: without systemic, coordinated interventions, they risk stagnation; yet with integrated capacity building aligned with both theoretical principles and policy frameworks, they can evolve into resilient, innovative, and market-responsive institutions that contribute meaningfully to rural transformation and sustainable livelihoods.

## RECOMMENDATIONS

To translate these insights into actionable outcomes, a coordinated strategy that integrates theory, policy, and practice is essential. First, financial management should be strengthened through structured capacity-building programs in bookkeeping, internal controls, budgeting, and risk management. These interventions operationalize the principles of Resource Dependence Theory by enhancing cooperatives' ability to manage and leverage financial resources effectively and by aligning with national financial inclusion policies promoted by the Bangko Sentral ng Pilipinas. Embedding standardized financial reporting systems and digital tools will further improve transparency, accountability, and decision-making efficiency.

Second, leadership development must shift from administrative competence to adaptive and participatory governance. Drawing on Social Capital Theory, cooperative leaders should actively cultivate trust, member engagement, and collective decision-making. This can be institutionalized through continuous leadership training, participatory planning mechanisms, and performance-based governance systems supported by the Cooperative Development Authority. In parallel, youth engagement should be formalized through succession planning programs, innovation platforms, and incentives that attract younger members, thereby addressing demographic sustainability and fostering long-term organizational renewal.

Third, strengthening external linkages is critical to expanding access to resources, knowledge, and markets. Consistent with Resource Dependence Theory and the Agricultural Innovation Systems perspective, cooperatives should form strategic partnerships with government agencies, NGOs, academic institutions, and private-sector actors. Programs of the Department of Agriculture and the Philippine Coconut Authority can be leveraged to support value chain integration, technical upgrading, and market access. Expanding credit access through formal financial institutions and cooperative banks, along with adopting digital platforms for marketing and operations, will further strengthen competitiveness and resilience.

Generally, these recommendations emphasize that sustainable cooperative development requires not isolated interventions but an integrated, system-oriented approach in which theory informs policy design, policy enables practice, and practice reinforces both theoretical and institutional advancement.

### Contribution To Knowledge

This study advances the organizational development (OD) literature on agricultural cooperatives by addressing the limitation of fragmented, single-dimensional analyses and offering a more integrated perspective on how multiple organizational capacities interact. Theoretically, it reconceptualizes cooperative performance as a multidimensional, interdependent system, showing that leadership, financial management, member participation, and external linkages should not be treated as isolated factors but as mutually reinforcing elements that shape overall organizational strength, resilience, and competitiveness. Empirically, the study provides context-specific evidence from agricultural cooperatives in the Philippines using a mixed-methods approach, highlighting the critical role of financial management and social capital in driving organizational effectiveness and sustainability. It also generates grounded insights that can inform targeted capacity-building interventions and policy design in similar developing-country contexts.

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