



Member Satisfaction among Multipurpose Cooperatives: Its Effect on the Influence of Economic Factors on Cooperative Member Commitment

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ABSTRACT

The study assessed the effect of member satisfaction on the influence of economic factors on member commitment among multipurpose cooperatives in Southern Leyte. The study used PLS-SEM to assess relationships among the variables. The respondents of the study are the members of the seven large multipurpose cooperatives in Southern Leyte as classified by the Cooperative Development Authority. Findings indicate that economic factors positively and significantly influence member satisfaction. In addition, the relationship between economic factors, member satisfaction, and member commitment suggests a significant but small effect of economic factors on member satisfaction, which in turn influences member commitment. The findings highlight the necessity of promoting member satisfaction through economic factors, such as enhancing service quality, assuring fair pricing, and providing access to resources.

Keywords: *Member commitment, Member satisfaction, Economic factors, Multipurpose cooperatives.*

1. Introduction

Cooperatives are a type of business organization that is owned and controlled democratically by its members. One of the key principles of cooperatives is to prioritize the social and economic well-being of their members and the communities in which they operate. Studies have shown that cooperatives tend to have positive social and economic impacts on their members and communities. The 2021 Annual Report of the Cooperative Development Authority (CDA) of the Philippines reported a total of 20, 467 registered cooperatives with total membership of 11, 795, 664 and total assets of Php 616.7 billion and Php 16 billion in net surplus. This number of cooperatives resulted to 345, 596 employed individuals. In the Philippine Development Plan (PDP) 2023-2027, NEDA recognizes the important role of cooperatives in promoting inclusive and sustainable development in the Philippines (natcco.coop). The PDP is a medium-term plan that sets the direction, policies, programs, and projects of the Philippine government for the next five years. It is the country's main development framework that aims to achieve inclusive growth, poverty reduction, and sustainable development. In its recognition of the role of cooperatives for the country's development, the PDP 2023-2027 prescribes tapping cooperatives in its nutrition programs, and it even recognized cooperatives as one of the channels of technology diffusion for agriculture and agribusiness modernization. The International Cooperative Research Group of the US Overseas Cooperative Development Council conducted a study of Cooperative Impacts in the Philippines on July 2022. Key findings of the study suggest that cooperative members generally experience better economic positions, with 45.8% falling in higher income bands compared to 41% of the general population, and they have a lower probability of being poor. Cooperatives in the Philippines demonstrate strong gender

inclusion, with both men and women benefiting equally, and women showing higher representation, indicating a role in women's empowerment. Additionally, cooperative members exhibit greater social capital, resilience in emergencies, and believe cooperatives positively influence community quality of life.

Multipurpose cooperatives in the Philippines are cooperatives that provide a wide range of services to their members, such as credit, savings, insurance, and other services. These cooperatives are an important part of the Philippine cooperative movement, which has a long history dating back to the early 1900s. This type of cooperative dominates the number of reporting cooperatives in the country. Multipurpose cooperatives play an important role in the rural areas of the Philippines, providing services such as credit, savings, and insurance to farmers, fishers, and other rural communities. These cooperatives also play an important role in promoting economic development and poverty reduction in these areas. As cooperatives promote economic development and poverty reduction, it is vital that these organizations sustain their operations in order that they will be able to continue these vital roles. One important means by which cooperatives will succeed is for them to develop and nurture commitment among their members (Fulton, 1999). In his study on cooperatives and member commitment in 1999, Fulton defined cooperative member commitment as "the willingness of a member to contribute to the cooperative's success through participation, financial support, and advocacy, and the degree to which that willingness is sustained over time." According to Fulton, member commitment is a critical factor in the success of cooperatives. He argued that highly committed members are more likely to actively participate in the cooperative, contribute financially, and promote the cooperative to others. In contrast, members with low commitment are less likely to participate or support the cooperative, which can hinder its growth and sustainability. He further added that commitment is what differentiates a cooperative from investor-owned firms.

Multipurpose cooperatives in Southern Leyte, Philippines, like many other cooperatives worldwide, encounter a range of challenges that can hinder their growth and effectiveness in serving their members and communities. These challenges often stem from a combination of internal and external factors, and addressing them requires careful planning, collaboration, and support. Many multipurpose cooperatives struggle with limited access to financial resources, which can hinder their ability to provide loans and financial services to their members. This limitation can result from a lack of initial capital, difficulty in attracting investments, and restricted access to credit from banks and financial institutions. Also, they often face difficulties in accessing wider markets for their products and services. In rural areas like Southern Leyte, reaching broader markets can be particularly challenging due to inadequate infrastructure, transportation issues, and limited marketing support. Many parts of Southern Leyte are characterized by geographical isolation and limited infrastructure, making it difficult for cooperatives to reach out to potential members and provide services effectively. This can impact their ability to expand and serve a larger community.

Awoke (2021) refers to member satisfaction as satisfaction of the members in the performance of the cooperatives. Cooperators' satisfaction was found to be influenced by the quality of the services provided by the cooperative, such as technical assistance, marketing support, and administrative services (Figueiredo & Franco, 2018). Conversely, the study of Apparao, Garnevska, and Shadbolt (2019) found that besides social capital and heterogeneity of the membership base, perceived benefits of membership influenced member commitment, that is, members who perceive significant benefits from their membership may also have higher levels of commitment. This is also true with the study conducted by Breitenbach & Brandão (2021) where the authors identified the factors that contribute to the satisfaction in cooperator-cooperative relationships. The study found that satisfaction in cooperator-cooperative relationships was positively influenced by several factors, including the level of communication and information sharing between the cooperative and its members, the level of support and assistance provided by the cooperative, and the quality of the cooperative's products and services. Additionally, the study found that satisfaction was positively influenced by the cooperative's social and environmental

responsibility, as well as its contribution to the local community. Also, a recent study by Frimpong-Manso et al. (2023) demonstrated that the drivers of membership commitment included access to credit and financial services, training and education, and social support. The study highlights the importance of membership commitment for the success of cooperative societies and the livelihoods of cocoa farmers in the Atwima Mponua District of Ghana. Interestingly, the study of Figueiredo & Franco (2018) also found that cooperators' satisfaction was not influenced by the cooperative's economic performance, which suggests that factors beyond financial outcomes are crucial in determining cooperators' satisfaction. This finding is consistent with previous research that has highlighted the importance of social and psychological factors in cooperative management.

In addition, self-reported value of cooperative membership has been the subject of the study of Alho (2015). The study aimed to investigate the farmers' self-reported value of cooperative membership across different business and organization structures. The study found that farmers' self-reported value of cooperative membership was positively influenced by the cooperative's ability to provide access to inputs, markets, and services, as well as the level of trust between the cooperative and its members.

Extant literature has not been conclusive as to the influence of economic factors to cooperative member satisfaction and ultimately to member commitment. Thus, the aim of the study is to determine the influence of economic factors to member commitment and examine the effect of member satisfaction on the influence of economic factors on member commitment among multipurpose cooperative members.

2. Literature Review

The history of cooperation and mutuality started as early as 153 AD from the Roman Empire as formal membership organizations termed as “collegia” (Mayo, 2017). The “collegia” tradition across Europe evolved into “early craft guilds” in the eleventh century. While *collegia* was drawn on the tradition of sworn, voluntary association and self-governance, guilds got its right of association from the authorities. Most of the guilds did not survive for long, however new forms of mutuality were organized such as the “Ahi” or brotherhood movement in Turkey in the 13th century organized by a craftsman and scholar. These movements operated in the context of faith and ethics. Other guilds survived and were reorganized into “friendly societies” in the 17th and 18th century in Europe and these were formed for mutual insurance needs, including sickness and funeral costs. In the 18th century in Philadelphia, a trade union was organized as a result of strike by carpenters to ask for a ten-hour day. Fraternal and friendly societies acting as trade unions were also organized in Europe which allowed workers to act together when needed. These show that cooperatives served various needs in varying contexts from which they originate. Nevertheless, whatever the form, the main purpose of cooperatives is to serve the needs of their members.

According to Aris et al. (2018), cooperatives offer an alternative business model to a social enterprise such that these organizations aim for the progress of its members while pushing for socio-cultural interests and environment protection.

Member satisfaction is defined by Awoke (2021) as the extent to which members feel that their needs and expectations are being met by the cooperative. In 2016, Yacob et al. investigated the mediating effect of members' satisfaction on their loyalty towards credit cooperatives in Sarawak Borneo, Malaysia. The findings of the study indicated that members' satisfaction significantly influenced their loyalty towards credit cooperatives.

Cooperators' satisfaction was found to be influenced by the quality of the services provided by the cooperative, such as technical assistance, marketing support, and administrative services (Figueiredo & Franco, 2018). Conversely, the study of Apparao, Garnevskaya, and Shadbolt (2019) found that besides social capital and heterogeneity of the membership base, perceived benefits of membership influenced member commitment, that is, members who perceive significant benefits from their membership may also have higher levels of commitment. This is also true with the study conducted by Breitenbach & Brandão (2021) where the authors identified the factors that contribute to the satisfaction in cooperator-cooperative

relationships. The study found that satisfaction in cooperator-cooperative relationships was positively influenced by several factors, including the level of communication and information sharing between the cooperative and its members, the level of support and assistance provided by the cooperative, and the quality of the cooperative's products and services. Additionally, the study found that satisfaction was positively influenced by the cooperative's social and environmental responsibility, as well as its contribution to the local community. Also, a recent study by Frimpong-Manso et al. (2023) demonstrated that the drivers of membership commitment included access to credit and financial services, training and education, and social support. The study highlights the importance of membership commitment for the success of cooperative societies and the livelihoods of cocoa farmers in the Atwima Mponua District of Ghana. Interestingly, the study of Figueiredo & Franco (2018) also found that cooperators' satisfaction was not influenced by the cooperative's economic performance, which suggests that factors beyond financial outcomes are crucial in determining cooperators' satisfaction. This finding is consistent with previous research that has highlighted the importance of social and psychological factors in cooperative management.

In addition, self-reported value of cooperative membership has been the subject of the study of Alho (2015). The study aimed to investigate the farmers' self-reported value of cooperative membership across different business and organization structures. The study found that farmers' self-reported value of cooperative membership varied depending on the type of cooperative and the specific business and organization structure. For example, farmers who belonged to producer cooperatives reported higher levels of satisfaction and loyalty than those who belonged to marketing or purchasing cooperatives. Additionally, farmers who belonged to cooperatives with a high level of member participation and involvement reported higher levels of satisfaction and loyalty than those in less participatory cooperatives. It also found that farmers' self-reported value of cooperative membership was positively influenced by the cooperative's ability to provide access to inputs, markets, and services, as well as the level of trust between the cooperative and its members. Additionally, the study highlighted the importance of communication and transparency in enhancing farmers' satisfaction and loyalty to their cooperatives.

Fulton (1999) studied the concept of member commitment in the context of cooperatives. According to Fulton, member commitment is a psychological attachment that members have to their cooperative, which drives them to participate in its activities, support its goals, and remain loyal to the organization. Fulton argued that member commitment was essential for the success of cooperatives. Committed members are more likely to engage in cooperative activities, provide support to the organization, and promote it to others. In turn, this increased engagement and support can lead to greater success for the cooperative. Member commitment in cooperatives is most commonly defined as the willingness of members to actively participate in the cooperative and support its goals and objectives (Cechin, Bijman, Pascucci, & Omta (2013); Apparao, Garnevska, and Shadbolt (2019); and Manousakis, Sergaki, and van Dijk, n.d.; Frimpong-Manso et al., 2023). Member commitment is a critical factor in the success of cooperatives because it determines the level of member participation, which, in turn, affects the cooperative's performance and viability. The study of Cechin et al (2013), however, identifies three dimensions of member commitment: (1) behavioral commitment which refers to the degree to which members are willing to invest their time and effort into the cooperative, such as attending meetings, participating in decision-making processes, and carrying out tasks assigned to them; (2) emotional commitment which is concerned with the extent to which members identify with and feel attached to the cooperative and can be influenced by the history, culture, and values of the cooperative, as well as the social relationships among members; (3) Cognitive commitment which refers to members' beliefs and attitudes about the cooperative, including its goals, objectives, and performance and is influenced by members' perceptions of the cooperative's benefits and their level of trust in its management and governance. The study argues that understanding the different dimensions of member commitment is important for cooperative managers to design effective strategies to enhance member participation and loyalty. By identifying the drivers and barriers to each dimension of commitment, managers can tailor their efforts to meet the needs and expectations of different types of members. Conversely, for Manousakis, Sergaki, and van Dijk (2021), member commitment involves both emotional and behavioral aspects, such as loyalty, trust, involvement, and support. The study highlights that enhancing member

commitment is crucial for achieving the goals of the cooperative and improving the socio-economic conditions of the members and their communities. The paper identifies several strategies for enhancing member commitment, such as improving communication, providing training and education, promoting transparency and accountability, and offering fair and equitable rewards and benefits.

Cechin (2013) also conducted a study on the governance of the member-cooperative relationship in a specific case from Brazil. The research aims to examine the factors that affect the governance of the relationship between members and the cooperative, as well as the implications of these factors for the sustainability and success of the cooperative. According to Cechin (2013), member commitment in the context of a cooperative refers to the level of engagement and dedication that members have to the cooperative and its goals. This commitment can manifest in various ways, such as active participation in decision-making processes, willingness to invest time and resources in the cooperative, and a sense of loyalty to the cooperative and its values. Cechin argues that member commitment is a crucial aspect of the governance of the member-cooperative relationship. When members are committed to the cooperative, they are more likely to contribute to its success and sustainability over the long term. This, in turn, can strengthen the cooperative's ability to achieve its goals and meet the needs of its members. Cechin also notes that member commitment is not something that can be taken for granted, and that it requires ongoing attention and effort from both the cooperative and its members. Cooperative governance practices that foster member engagement and participation can help to build and maintain a strong sense of commitment among members.

Also, Jonathan Bunders and Akkerman (2022) defined member commitment as the degree of loyalty and dedication that members have towards their worker cooperatives in the gig economy. However, their study analyzes the effect of preference deviation and social embeddedness on member commitment. Preference deviation refers to the difference between the preferences of individual members and the collective preferences of the cooperative. Social embeddedness refers to the degree to which members are connected and integrated into the social networks of the cooperative. The study found that preference deviation negatively affects member commitment, as members who perceive a significant difference between their preferences and the collective preferences of the cooperative may become disengaged and less committed. However, social embeddedness positively affects member commitment, as members who are more socially connected to the cooperative are more likely to remain committed.

The Commitment theory aids in the explanation of member commitment in multipurpose cooperatives. Commitment theory is a psychological framework that seeks to explain why individuals become committed to certain goals, organizations, relationships, or courses of action. It posits that commitment is influenced by various factors and can have significant implications for an individual's behavior and decision-making. Mowday, Steers, & Porter (1979) aimed to develop a reliable and valid measure of organizational commitment, which would help organizations understand the level of dedication and attachment employees have towards their organization. For the purpose of developing the instrument, these researchers defined organizational commitment as the "relative strength of an individual's identification with and involvement in a particular organization". This is further characterized by at least three factors: (1) a strong belief in and acceptance of the organization's goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization. These three factors are reiterated and given appropriate nomenclature by Allen and Meyer (1990). These are named affective commitment, continuance commitment, and normative commitment. Affective commitment refers to an individual's emotional attachment to and identification with a particular goal, organization, or relationship. It is characterized by a strong belief in and a desire to maintain the associated bonds. Continuance commitment, on the other hand, relates to an individual's perceived costs and investments in a goal, organization, or relationship. It reflects the feeling that leaving or disengaging from the commitment would result in undesirable consequences. Normative commitment is based on an individual's sense of obligation and responsibility to uphold the commitments due to internalized social norms or external pressures.

Economic factors and member satisfaction as variables influencing member commitment is founded on the model developed by Awoke (2021) when he empirically examined the determinants of

commitment among agricultural cooperative members. In his study, he divided the commitment construct into three elements: loyalty, identification, and participation. Loyalty refers to the willingness of members to remain committed to the cooperative over time, even in the face of challenges or difficulties. This construct reflects the degree to which members view the cooperative as a trusted partner and are willing to make long-term investments in the cooperative's success. Conversely, identification refers to the degree to which members view themselves as part of the cooperative and share a common sense of identity with other members. This reflects the psychological connection that members have with the cooperative and the degree to which they see themselves as aligned with the cooperative's values, goals, and interests. In the context of agricultural cooperatives, identification is particularly important because it reflects the degree to which members see themselves as part of a larger collective and are willing to work collaboratively towards shared goals. Participation, on the other hand, refers to the degree to which members are actively involved in the cooperative's activities and decision-making processes. This construct reflects the degree to which members have a sense of ownership over the cooperative and are invested in its success. In the context of agricultural cooperatives, participation is particularly important because it reflects the degree to which members are actively engaged in the cooperative's activities and are willing to contribute their time, energy, and resources to advance the cooperative's goals. Moreover, Awoke (2021) reported five factors found to be determinants of loyalty. These are economic, psychological, satisfaction, distance to main market, and the type of cooperative. Economic factors ranked second with a coefficient of .311. In the context of agricultural cooperatives, loyalty is particularly important because it reflects the degree to which members are willing to make sustained investments in the cooperative's activities, such as purchasing inputs or participating in collective marketing efforts. Further, six determinants were found by Awoke (2021) to have significant influence on member's identification to the agricultural cooperative. The determinants found to have a positive influence were psychological determinants, members' satisfaction of the cooperative, serving in the control committee in the past, and distance from main market. The study focused on economic factors as it is the most important factor identified by Awoke in his model, next to the type of cooperative, to have an influence on member commitment and that the focus of Awoke in his study are agricultural cooperatives. In the present study, the focus is multipurpose cooperatives.

3. Research Method

The study employed quantitative research design. Quantitative research design is a structured, systematic, and objective approach to investigate a research question using numerical and statistical methods. The study was conducted in the province of Southern Leyte. The respondents of the study are the members of the seven large multipurpose cooperatives in Southern Leyte as classified by the Cooperative Development Authority (CDA). The sample size is derived from the minimum sample size requirements for different significance levels by Hair et al (2021) using the inverse square root method. The respondents are chosen through random sampling. There are 255 original number of observations. 15 observations with zero standard deviation were excluded from the analysis. Moreover, 8 observations with more than 15% missing data were also excluded. The total number of observations included in the study are 232. Missing values were treated using mean value replacement (Ringle, Wende, & Will, 2005). The respondents of the study are mostly female, married, and mainly belonging to 35-64 years of age. Most are college graduates and are employed with a monthly income of less than P9,520 and between P9,520-P19,040. In addition, the majority of them got their income from salary.

Table I
Characteristics of Multipurpose Cooperative Members

Category	f	%	Category	f	%
Age			Occupation		
18-24 years old	6	2.59%	Employed	138	59.48
25-34 years old	34	14.66	Self-employed	24	10.34
35-44 years old	51	21.98	Housewife	29	12.50
45-54 years old	66	28.45	Unemployed	19	8.19
55-64 years old	43	18.53	Retired	11	4.74
65 years old and above	29	12.50	Others	7	3.02
No response	3	1.29	No response	4	1.72
Total	232	100.00	Total	232	100.00
Sex			Monthly Income		
Male	77	33.19	Less than PhP 9,520	124	53.45
Female	154	66.38	Between PhP 9,520-19,040	62	26.72
No response	1	.43	Between PhP 19,041-38,080	21	9.05
Total	232	100.00	Between PhP 38,081-66,640	12	5.17
Civil Status			Between PhP 66,641-114,240	1	0.43
Single	40	17.24	Between PhP 114,241-190,400	1	0.43
Married	155	66.81	No response	11	4.74
Widowed	27	11.64	Total	232	100.00
Separated	8	3.45			
No response	2	.86	Source of Income		
Total	232	100.00	Salary	136	58.62
Highest Educational Attainment			Salary & Business	6	2.59
Elementary graduate	13	5.60	Salary & Practice of Profession	1	0.43
High school graduate	58	25.00	Salary & Others		
High school level	5	2.16	Business	1	0.43
College graduate	107	46.12	Practice of Profession	39	16.81
College level	39	16.81	Others	4	1.72
Post-graduate level	6	2.59	No response	32	13.79
No response	4	1.72	Total	13	5.60
Total	232	100.00	Total	232	100.00

Note: Salary and others- source of income is from salary and others (other than business & practice of profession); Others – source of income is other than salary, business, or practice of profession.

The constructs in the study contain measurement items found in the literature. Economic factors have three (3) measurement items and member satisfaction has three (3) measurement items. Member commitment, on the other hand, adapted the instrument of Awoke (2021) in the measurement of member identification. However, in terms of member loyalty, items are modified to suit the environment of multipurpose cooperatives. The first part of the survey instrument sought to determine the socio-demographic profile of the respondents or the cooperative member characteristics. These include age, sex, civil status, occupation, highest educational attainment, monthly income, and source of income.

Conversely, the second part of the survey instrument is composed of measurement items from which the respondents are asked to give their rating based on their degree of agreement to each item using a 7-point Likert scale, ranging from 7 (strongly agree) to 1 (strongly disagree), to avoid personal bias. The research instrument is pre-tested to 39 cooperative members. This set of respondents will no longer be included in the final analysis.

The study uses PLS SEM to measure theoretical relationships between and among the latent variables. PLS-SEM is used to examine the influence of economic factors on member commitment and other variables that affect the observed influence.

Table II shows the internal consistency and reliability of the items representing the constructs. ML2 outer loading is 0.343, thus it was removed as an indicator. The outer loading threshold used in this study is greater than 0.70. Indicator loadings above 0.708 are recommended, since they indicate that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable indicator reliability (Hair, et al 2021). Moreover, AVE of each construct ranging from 0.61-0.731 which satisfies the threshold of 0.50 or higher implying that the construct explains 50% or more of the variance in the indicators that comprise the construct (Hair et al., 2021).

Table II
Measurement Model Assessment Results

	<u>Convergent Validity</u>		<u>Construct Reliability</u>			<u>Convergent Validity</u>		<u>Construct Reliability</u>	
	Loadings	AVE	α	CR		Loadings	AVE	α	CR
Economic factors		0.61	0.68	0.682	Member Identification		0.666	0.899	0.90
EF1	0.788				MI1	0.724			
EF2	0.800				MI2	0.847			
EF3	0.753				MI3	0.794			
Member Satisfaction		0.703	0.79	0.791	MI4	0.843			
MS1	0.862				MI5	0.857			
MS2	0.844				MI6	0.823			
MS3	0.809								
					Member Loyalty		0.632	0.708	0.708
					ML1	0.761			
					ML3	0.831			
					ML4	0.791			

Note: α = Cronbach's alpha, CR = Composite Reliability, AVE = Average Variance Extracted, EF = Economic Factors, MS = Member Satisfaction, MI = Member Identification, ML = Member Loyalty

4. Results and Discussion

The path coefficients between latent variables were analyzed. A path coefficient value should be at least 0.100 to account for a certain impact (Hair et al., 2011).

Table III shows that economic factors have a significant positive influence on member satisfaction. The direct path coefficient indicates that economic factors positively and significantly influence member satisfaction ($\beta=0.261$; $p<0.000$). Economic factors include quality products, fair prices, and access to resources through cooperative membership. Member satisfaction, on the other hand, refers to the satisfaction of the cooperative members in the performance of the cooperative. The economic benefits that multipurpose cooperative members receive from the cooperative has a significant positive influence on the satisfaction of members. This is in line with the findings of Figueiredo & Franco (2018)

that cooperators' satisfaction is influenced by the quality of the services provided by the cooperative, such as technical assistance, marketing support, and administrative services. This is also true with the findings of Breitenbach & Brandão (2021) that one of the factors that contribute to the satisfaction in cooperator-cooperative relationships include the level of support and assistance provided by the cooperative, and the quality of the cooperative's products and services. Boevsky & Kostenarov (2020), likewise, suggest that cooperatives provide quality products and fair prices to enhance cooperator satisfaction. It has to be noted though that the study of Figueiredo and Franco (2018) suggests that factors beyond financial outcomes, such as economic performance, are crucial in determining cooperators' satisfaction.

The direct path coefficient of member satisfaction positively influences member commitment ($\beta=0.479$; $p<0.000$). This suggests that when cooperative members are satisfied with the performance of the multipurpose cooperative, the members are more likely to be committed to the cooperative.

Table III

Influence of Economic factors to Member Satisfaction and Member Satisfaction to Member Commitment

	β	t values	p values	Decision
Economic Factors -> Member Satisfaction	.261	3.82	0.000***	Supported
Member Satisfaction -> Member Commitment	0.479	8.36	0.000***	Supported

Note: *** $p < 0.001$; ** $p < 0.05$

Moreover, as shown in Table IV, the relationship between economic factors, member satisfaction, and member commitment suggests a significant but small effect of economic factors on member satisfaction ($\beta=0.124$; $p<0.000$), which in turn influences member commitment. This suggests that economic factors indirectly affect member commitment through its influence on member satisfaction. This may indicate that while economic factors themselves may not have a direct and substantial effect on member commitment, they do impact member satisfaction, which in turn affects commitment levels. Previous studies by Breitenbach & Brandão (2021) and Frimpong-Manso et al. (2023) provide additional context and support for these findings. Breitenbach & Brandão's study suggests that the support and assistance provided by the cooperative, as well as the quality of its products and services, positively influence member satisfaction. Frimpong-Manso et al.'s study highlights various drivers of membership commitment, including access to credit and financial services, training and education, and social support. These previous findings contribute to the understanding of how different factors contribute to member satisfaction and commitment within cooperative organizations.

Table IV

Complex Cause-Effect Relationship

Specific Indirect Effect	β	t values	p values
EF -> MS -> MC	0.124	3.350	0.000

Note: EF – economic factors; MS – member satisfaction; MC – member commitment

5. Conclusion and Implications

Multipurpose cooperatives are critical for rural development in the Philippines, providing necessary services and assisting with poverty reduction. Maintaining these cooperatives is critical for ongoing community support and economic growth. The development of member commitment is critical to their success. In Southern Leyte, multipurpose cooperatives face challenges such as financial limits and limited market access, necessitating innovative solutions. Overcoming these challenges necessitates joint efforts that address both internal and external concerns. Improving member commitment is crucial for overcoming hurdles and maintaining cooperative effectiveness. Active member engagement is critical to

cooperative success, yet motivating and engaging members can be difficult. As a result, creating a model of member commitment specific to multipurpose cooperatives is critical to their long-term existence and impact on rural development.

This work provides actionable insights for managing multipurpose cooperatives (MPCs) with the goal of increasing member satisfaction and member commitment. The findings highlight the necessity of promoting member satisfaction through a variety of means, such as enhancing service quality, assuring fair pricing, and providing access to resources. By resolving these issues, MPCs can indirectly increase member commitment, adding to the cooperative's long-term viability and success. Moreover, through these, MPCs can create an environment conducive to member satisfaction and commitment, thereby enhancing their overall effectiveness and resilience in achieving their cooperative goals.

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