

BIBLIOGRAPHY

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Adviser: David Joseph Bognadon, MSc

ABSTRACT

The case study was conducted to determine the employment generation of cooperatives in La Trinidad.

Fifty-one cooperatives were the respondents and were classified into multi-purpose agriculture, multi-purpose non-agriculture, credit and service. Majority of the cooperatives were operating in the municipality and existed for ten years or more. Cooperatives incurred increases as to their total asset and total paid-up share capital.

As to employment, thirty-one out of fifty-one cooperative respondents have hired employees and showed increasing trend in employment generation. A slight increase was shown for labor costs.

Cooperative preferred college graduates that took up accountancy or commerce course. Most of the respondent do not have manual of policies and procedures. Regarding issues, cooperative respondents comply with labor policies only to their regular employees in terms of legal minimum wage and 13th month pay and mandatory requirement contribution or remittance. In addition, most cooperative do not give retirement benefits.



Cooperatives were hard-up to comply with BIR requirements because of voluminous paper required. For employment turn-over and problems regarding employment, majority answered that they have low salary or salaries were not enough.

From the results, it was recommended that cooperative should closely monitor and improve their business operation to become competitive and would be able to hire more employees. Furthermore, cooperatives without manual of policies and procedures should formulate their own policies and procedures and should review their existing guidelines and policies regarding human resource development. Cooperatives must also monitor the compliance of requirements with the different agencies.

In addition, to reduce voluminous works which were the problem of institutional cooperative, it is recommended for them to hire full-time employees. For the cooperatives that do not have regularly paid employees and members doing the voluntary work, they should organize human resource capability building to their members. This would likely be helpful when the cooperative will be able to hire employees because the members that were educated would be the one to orient the new employees.



INTRODUCTION

Rationale

Cordillera Administrative Region is rich in natural resources. As the population frantically arises, it results into increase of human resources. The region, especially the province of Benguet, fully supports the cooperative code of the Philippines. For that reason, there are 151 operating cooperatives in Benguet as of December 31, 2010 based from the data of the Cooperative Development Authority (CDA). The thirteen municipalities of Benguet are engage more on agricultural activities. La Trinidad is the capital municipality of Benguet, wherein according to the latest census of the National Statistics Coordination Board, it has a population of 97,810 people in 13,658 households. The main source of livelihood remains to be agriculture, comprising 35% of the household population, this is followed by employment at 33%, and business at 23% and practice of profession at 9%. In 1996, 66% of the total households had incomes above the poverty line. In year 2002, this decreased to 55% of the total households or an equivalent of 7,512 households. It is estimated that in 2007, 9,921 households out of the 18,039 total households live below the poverty line.

In year 2000, the estimated Annual Per Capita Poverty Threshold in La Trinidad is Php 14,520. In 2007, this increased to Php. 16,735. The Average Annual Family Income in 2006 was at Php. 158, 000. The average Annual Family Expenditures in year 2000 was estimated to be Php. 113,846, this rose to Php. 147,231 in 2003. The total potential labor force, belonging to the 15 to 64 years age group, was 39.1% of the total population. Out of this figure, in 2008, an estimate of 66.5% or 26,780 persons participated actively in the labor force. Unemployment rate in 2008 is comparatively low at 4%. Estimated



unemployment figures for 2008 are 1,611 persons. The municipality has a land area of 8,273.80 hectares, representing 3.16% of the provincial land area. There are 51 cooperatives in La Trinidad which are engaged in credit, consumers, marketing, service and multipurpose cooperatives (CDA, 2010).

Cooperatives are known to many which provide services only to its members. The International Labor Organization (ILO) which is concerned about rural employment and how to ensure that decent jobs are available in rural areas sees the cooperatives as an enterprise with a difference. It is described as an organizational model and a decent work paradigm engaging in common values which are fair wages, secure jobs, social protection, voice and participation, and equality of opportunity. Thus, it greatly affects our economy.

The cooperative model is an option by virtue of the integral relationship between a cooperative and its community. Cooperatives are rooted in their communities, offering jobs to local people. Cooperatives tend to be more stable employers especially in rural areas as their members are in the community where they are located. Individuals and enterprises in a particular community form cooperatives to serve their needs. Cooperatives are less likely relocates to lower wage areas, but find innovative ways to retain jobs and remain competitive. Cooperatives also assist in circulating financial resources locally. The services and products offered assist in keeping money in the community and so promote further employment opportunities in other enterprises.

Economic generation of cooperatives in our country regarding employment is surely worthy to be recognized. Its economic contribution is upstaged only by its key role in fighting poverty in a stellar performance by the poor themselves. On rural areas, it is a classic case of the income-poor lifting themselves by their own bootstraps.



Importance of the Study

The study seeks the employment generation of cooperatives in La Trinidad. The researcher studied cooperative generation of cooperatives. Furthermore, using the gathered profile of the employees, the researcher determined the number of all employees in cooperatives in La Trinidad and this may find out problems and issues faced.

In addition, the result of the study increases the level of awareness of the people in our country on the importance of cooperatives to our economy. Furthermore, the study could be a basis of cooperatives in assessment of cooperative employment. For cooperative movement and government agencies, it could act as a policy guide. It could also serve as a reference for the communities in coming up with improvement of employment system.

The study could be a guide for researchers to compare employment generation of millionaire multi-purpose cooperatives in La Trinidad with other private institutions. Results could serve as basis of innovation to have a further study of cooperative employment in Benguet or CAR.

Statement of the Problem

The research intended to answer the following questions:

1. What are the profiles of cooperatives in La Trinidad?
2. How much are the labor cost spent by the selected cooperatives in the municipality of La Trinidad?
3. How many are employed in these cooperatives of La Trinidad?
4. What is the growth trend of cooperative employment for the past five (5) years of the cooperatives studied in La Trinidad?



5. What are the problems and issues faced related to employment by cooperatives of La Trinidad?

Objectives of the Study

To assess the contribution of the cooperatives in La Trinidad in terms of employment, the study intended to achieve the following:

1. To determine the profile of cooperative employees;
2. To identify the labor cost spent by the selected cooperatives in the municipality of La Trinidad;
3. To determine the number of employees of cooperatives in La Trinidad;
4. To determine and analyze the growth trend of cooperative employment for the past five (5) years of the cooperatives studied in La Trinidad; and
5. To identify the problems and issues faced related to employment by cooperatives of La Trinidad

Scope and Delimitation

The research is an assessment of the employment generation of cooperatives in the municipality of La Trinidad. It focused on the fifty-one (51) operating and complying cooperatives of La Trinidad and the investigation was limited to the employability.



REVIEW OF LITERATURE

Cooperative Employment

Employability is described by Apruebo (2006) as the “new deal” employment relationship in which the job is temporary event and employees are expected to continuously learn skills that will keep them employed in a variety of work activities.

Cooperative as an enterprise despite its significant and positive impact on economic and social development continues to be underutilized and poorly understood. Few today are aware that an estimated 100 million jobs worldwide are provided by cooperatives to salaried employment – which is 20% more than multinational corporations. This is in fact a conservative figure considering that cooperatives provide not only direct employment, but also self-employment, indirect and induced employment. For example, in agriculture where the majority of cooperatives are still found, cooperatives maintain farmers’ ability to be self-employed given that for many farmers the fact that they are members of a cooperative and derive income from the services, allows them to continue to farm and contribute to rural community development. And in both urban and rural contexts, the impact of cooperatives in providing income to members creates additional employment through multiplier effects including enabling other enterprises to grow and in turn provide local jobs – the indirect employment capacity of cooperatives (Hertig, 2008).

With persistent poverty and widespread unemployment still plaguing nations and communities around the globe, especially within Third World countries, economic development analysts are looking increasingly at the role that cooperatives play in generating much-needed occupational opportunities and income security.



A recent report by the International Labor Organization notes that cooperatives enhance employment by: (1) serving as direct employers in the case of workers' co-ops, service co-ops, and consumer and financial co-ops among members, owners, and non-members alike; (2) promoting and enabling self-employment and self-advancement by providing technical, marketing, and social services to their members' households and communities; and (3) boosting indirect employment by creating ancillary opportunities in institutions and businesses related to the operations of cooperatives (Lindenthal, 1994)

Many are also unaware of the significant impact that cooperatives have on national economies and in particular their impact on employment. In a number of countries, cooperatives are sizable employers, for example, cooperatives are the largest private employer in Switzerland, the second largest employer in Colombia; in India the dairy cooperatives alone generate nearly 13 million jobs for farm families, while in France and Italy they provide for over a million jobs. To cite a few salient facts, the state, provincial and local levels, they too are significant as is the case in Quebec, Canada where a financial cooperative. The Desjardins Group is the leading employer, or in the US State of Wisconsin where 71% of all jobs are attributed to the cooperative sector (Hertig, 2008).

Philippines Present Situation on Employment

According to the GMA News, aired last January 21, 2010, the Philippine's jobless rate worsens to 7.5% in 2009. About 2.8 million Filipinos did not have jobs last year, or a yearly unemployment rate of 7.5 percent that is worse than the prior year.

In a statement, the National Statistics Office (NSO) said jobless Filipino men outnumbered their female counterparts at 1.7 million versus 1.1 million. The 2009 jobless rate was worse than the 7.4 percent recorded in the prior year. The economy grew by a



measly 0.8 percent in the third quarter, below the government's 0.8-1.8 percent goal for the year (GMANewsTV, 2010).

Economist Victor A. Abola of the University of Asia and the Pacific noted that while the government could have generated one million jobs last year, this was no match to the number of people looking for work.

According to the NSO, the labor force population reached 37.9 million persons, with an annual job participation rate of 64 percent. The highest rate was recorded in Northern Luzon at 70.4 percent."Storms in the last part of the year amid the global economic slowdown could have led more Filipinos to look for jobs to finance house rebuilding," Abola said to the interview of GMA News.

The government earlier said the country was on the path of recovery after being battered by two major storms last year amid the global economic slump. It is aiming for 3-4 percent growth this year. The latest labor survey also showed that the underemployment rate had eased to 19.1 percent last year from 19.3 percent in 2008. Employed persons who want to higher their work hours or get a new job with longer work hours are considered underemployed. Half of the estimated 35 million employed Filipinos were in services, mostly in wholesale and retail trade, and repair of vehicles, motorcycles and other household goods. About 35 percent were employed in agriculture, while the rest worked in industries (GMANewsTV, 2010).

The International Labor Organization (ILO) earlier said employment in developing countries, including the Philippines, would continue to drop in the near term despite early signs of economic recovery. In a report released last month, the ILO advised governments to continue spending to stimulate the economy and focus on creating jobs even at the



expense of wider budget deficits to avoid threatening the job scenario. The Philippines, in particular, will likely take two years to recover as Indonesia, the report said (GMANewsTV, 2010).

According to CDA (2010), cooperatives posted a total business volume worth P78.5-billion. Composed of some 3.7-million members, the cooperatives have total assets of P79.9-billion and P4.76-billion in net surplus. Moreover, it generated some 1.6-million in jobs. In terms of assets, cooperatives have almost 53% of the total assets which are a little behind their not-too-distant cousins—the rural banks, whose assets of P150.9-billion in 2007. The keenest competitors of cooperatives, the rural banks are now the main providers of microfinance loans in the banking sector. Though, cooperatives, in the strictest sense, are not considered part of the banking sector. But in terms of total loans granted, the cooperatives' loans are almost comparable to the total loans of P74.86-billion extended by rural banks in 2006.

In the province of Benguet, with the total of 151 cooperatives complied reports to the CDA an estimated total of P23, 219,098.43 is used for salaries and wages in the cooperatives. In terms of employment Benguet contributed 40% in the CAR, employing 583 part-time and full-time employees (CDA, 2010).

Definition of Terms

Employment generation- productive capability of a firm or an organization to the community in terms of the employment

Management staff - headed by the general manager, the day-to-day affairs of the cooperative shall be entrusted to the management staff, which will implement the policies of the Board and the membership assembly to attain the objectives of the cooperative. The



members of the management staff are the policy implementers of the cooperative, and as such, they shall be responsible to the Board for the performance of their functions.

Cooperatives- an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic and cultural needs and aspirations by making equitable contributions of the capital required, patronizing their products and services and accepting fair share of the risks and benefits with universally accepted cooperative principles.

Credit Cooperatives- one that promotes and undertakes savings and lending services among its members. It generates a common pool of funds in order to provide financial assistance and other related financial services to its members for productive and provident purposes.

Service Cooperatives- one which engages in medical and dental care, hospitalization, transportation, insurance, housing, labor, electric light and power, communication, professional and other services.

Multi-purpose Agriculture- one which combines two (2) or more of the business activities of the different types of cooperative that are engage in agriculture.

Multi-purpose Non-agriculture- one which combines two (2) or more of the business activities of the different types of cooperative.



METHODOLOGY

Locale and Time of the Study

The study was conducted in the municipality of La Trinidad, Benguet. The study was focused on the fifty-one (51) cooperatives in the different barangay's of La Trinidad which were Alapang, Ambiong, Bahong, Balili, Beckel, Betag, Cruz, Lubas, Pico, Poblacion, Puguis, Shilan, Tawang and Wangal. The study was conducted from October 2011 to February 2012.

Respondents of the Study

The information needed in the study was gathered from the complying and operating fifty-one (51) cooperatives in La Trinidad. These cooperatives were classified into four, multi-purpose agriculture (20 respondents), multi-purpose non- agriculture (22 respondents), seven credit cooperatives (7 respondents) and service cooperatives (2 respondents). The respondent of the cooperative were the general manager or any of the management staffs that the general manager has authorized to answer the questionnaire.

Data Gathering Procedure

A structured questionnaire was personally floated to the respondents. The questionnaires serve as instrument to gather data for the study. It contains the information about the cooperative regarding employment. Likewise, a copy of the financial report and annual reports submitted to the CDA was also taken to supplement the information gathered through the survey questionnaire.



Data Gathered

The research made used of secondary and primary data. The primary data consisted of the cooperative profile. Meanwhile, secondary data gathered were name of cooperative, the nature of businesses, numbers of employees, labor cost and constraints on employment.

Data Analysis

Various statistical tools were used by the researcher in the data analysis. Data that were collected were tabulated, summarized and analyzed with the used of frequency analysis, mean and percentage ranking.



RESULTS AND DISCUSSION

Cooperative Profile

This section presents the cooperative profile of fifty-one cooperatives in La Trinidad according to the area of operation, type of cooperatives, date of registration, years of existence and number of members.

Type of cooperatives. The different cooperatives in La Trinidad were credit, service, multi-purpose agriculture and multi-purpose non-agriculture. As shown in Table 1, 22 (43%) cooperatives were multi-purpose non-agriculture, 20 (39%) were multi-purpose agriculture, 2 (4%) were service and 14% or 7 were credit. The results points out that majority of cooperatives which are operating were multi-purpose agriculture and multi-purpose non-agriculture.

Area of operation. The area of operation refers to the place where the members of the cooperative came from or the area that is covered in the requirement for membership. The information was gathered from the annual reports of the cooperative. Table 2 presents that in multi-purpose non-agriculture cooperative, one (2%) of the cooperatives was operating in a school, 6 (12%) were operating in a barangay, 4 (8%) were operating in the municipality, 10 (20%) were provincial-based and one (2%) was operating regionally. For multi-purpose agriculture cooperatives, there were 8 (16%) operating in a barangay, 2 (4%) municipality, 9 (18%) provincial and 1 (2%) regional. For credit cooperatives, 3 (6%) in the municipality, 3 (6%) provincial and one (2%) was operating regional while for service cooperatives, one (2%) was on barangay and one (2%) was provincial based.



The finding indicates that the scope of operation of cooperatives in La Trinidad does not only operate in their respective barangays but cover other areas. Therefore, the cooperative do not limit the growth of membership in the municipality.

Table 1. Type of cooperatives in La Trinidad, Benguet

TYPE OF COOPERATIVE	FREQUENCY	PERCENTAGE
Credit	7	14
Service	2	4
MP Agriculture	20	39
MP Non-Agriculture	22	43
TOTAL	51	100

Table 2. Area of operation of the cooperatives in La Trinidad, Benguet

AREA OF OPERATION	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
School-based	-	-	1	2	-	-	-	-
Barangay	8	16	6	12	-	-	1	2
Municipality	2	4	4	8	3	6	-	-
Provincial	9	18	10	20	3	6	1	2
Regional	1	2	1	2	1	2	-	-



Date of registration. Table 3 shows the date of registration of the cooperatives. For multi-purpose agricultural cooperative 9 or 18% were registered between the year 1991 to 1995, 6 or 12% were registered between the year 1996 to 2000, 2 or 4% were registered between the year 2001 to 2006 and 3 or 6% were registered after 2006. In multi-purpose non-agricultural cooperative, one (2%), which is the Benguet Government Employees MPC, was registered in 1973, 8 or 16 % were registered between the year 1991 to 1995, 8 or 16 % were registered between the year 1996 to 2000, 3 or 6% were registered between the year 2001 to 2005, and 2 or 4% were registered after 2006. Two or 4 % credit cooperatives were registered between the years 1991 to 1995, 3 or 6% were registered between the years 1996 to 2000, one or 2% was registered between the years 2001 to 2005 and one or 2% was registered after the year 2006 while in service cooperatives one or 2% was registered between the years 1991 to 1995 and one or 2% was registered between the years 1995 to 1996. Results indicated that most cooperatives in La Trinidad were registered in between the year 1991 to 1995. The results also show that there was decreasing trend of registration.

Table 3. Date of registration of cooperatives in La Trinidad, Benguet

DATE REGISTERED	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
1990 and below	-	-	1	2	-	-	-	-
1991-1995	9	18	8	16	2	4	1	2
1996-2000	6	12	8	16	3	6	1	2
2001-2005	2	4	3	6	1	2	-	-
2006 and above	3	6	2	4	1	2	-	-

Years of existence. Table 4 presents the year of existence of the selected cooperative studied in La Trinidad, Benguet. As shown in the table, three or 6 % from the multi-purpose



cooperatives existed for less than 5 years, 2 or 4% existed for 6 to 10 years, 6 or 12% existed for 11 to 15 years and 9 or 18% existed for 16 to 20 years. For multi-purpose non-agriculture cooperatives, 2 or 4% existed for less than 5 years, three or 6% existed for 6 to 10 years, 8 or 16% existed for 11 to 15 years, 8 or 16% existed for 16 to 20 years and 1 or 2% existed for 21 years and above which was the BGEMPC.

For credit cooperatives, 1 or 2% existed for less than 5 years, 1 or 2% existed for 6 to 10 years, 3 or 6% existed for 11 to 15 years and 2 or 4% existed for 16 to 20 years while for service cooperatives, 1 or 2% existed for 11 to 15 years and 1 or 2% existed for 16 to 20 years. The results show that majority of the cooperatives in La Trinidad are existing for ten years and more.

Table 4. Years of existence of cooperatives in La Trinidad, Benguet

YEAR OF EXISTENCE	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
5 and below	3	6	2	4	1	2	-	-
6-10	2	4	3	6	1	2	-	-
11-15	6	12	8	16	3	6	1	2
16-20	9	18	8	16	2	4	1	2
21 and above	-	-	1	2	-	-	-	-

Cooperative membership. Table 5 shows the number of members of the cooperatives studied. A cooperative have two kinds of membership; the regular members and the



associate members. A regular member is one who has complied with all the membership requirements and are entitled to all the rights and privileges while an associate member is one who has no right to vote nor be voted upon and shall only be entitled to such rights and privileges as the by-laws may provide (RA 9520, 2008). The study focused on the regular members.

Most of the cooperative classification has members less than 100. These finding shows that most cooperatives have few members which must be looked into consideration by the cooperatives studied. Membership generation is very important in every cooperative. Therefore, it is recommended that cooperatives must formulate strategies to attract more individuals to become members in the cooperative.

Table 5. Cooperative membership

NUMBER OF MEMBERS	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
100 and below	9	18	8	16	4	8	1	2
101-200	4	8	5	10	1	2	-	-
201-300	1	2	1	2	-	-	-	-
301-400	1	2	3	6	-	-	-	-
401-500	1	2	1	2	-	-	1	2
501 and above	4	8	4	8	2	4	-	-



Cooperative Financial Data

Table 6 shows the financial data of the different type of cooperatives studied as to total assets and total paid-up share capital for 2006 until 2010.

Total Asset. As shown in Table 6, for the periods 2006 to 2007 majority of cooperatives, for the total asset, have an increasing percentage wherein the highest percentage increase was 57.43 % in service cooperatives. Furthermore, most of the cooperatives have slight increase for the following years except for credit cooperative that has a decrease of 5.94% in the years 2007 to 2008 where the total asset decreases from Php. 74,300,845.52 to Php. 70,134,393.2.

Paid-up Share Capital. Table 6 also presents the share capital of the different types of cooperatives including the percentage increase from year to year. Result shows that all the cooperatives have an increasing paid-up share capital based from the percentage increase presented and the highest percentage increased to 64.50% was observed for the multi-purpose agriculture cooperatives in the year 2006 to 2007. For multi-purpose cooperative, there was a recorded decrease of 5.84% when the total paid-up share capital for the year 2008 of Php. 111,939,107.31 decreased to Php. 105,764,864.57 in the year 2009.



Table 6. Financial data of cooperatives in La Trinidad from 2006 to 2010

YEAR	TOTAL ASSET PER YEAR			
	MPA	MPN	CREDIT	SERVICE
2006	31,210,783.70	87,206,980.27	59,003,874.10	1,159,303.13
%	57.24	41.22	20.59	57.43
2007	72,994,546.24	148,366,718.64	74,300,845.52	2,723,390.03
%	37.97	17.64	(5.94)	24.49
2008	117,672,676.06	180,138,242.29	70,134,393.20	3,606,731.66
%	10.54	16.99	21.96	4.80
2009	131,532,011.02	217,009,318.17	89,873,442.22	3,788,759.41
%	10.53	18.84	6.84	0.47
2010	147,005,981.94	267,394,411.42	96,471,608.24	3,806,753.78
YEAR	TOTAL PAID-UP SHARE CAPITAL			
	MPA	MPN	CREDIT	SERVICE
2006	6,808,135.22	41,716,795.19	12,384,650.26	864,000.00
%	64.50	41.51	22.48	56.71
2007	19,177,742.60	71,319,120.36	15,976,454.65	1,995,834.64
%	27.62	36.29	9.95	1.66
2008	26,495,627.87	111,939,107.31	17,741,456.98	2,029,522.00
%	14.68	(5.84)	16.00	2.47
2009	31,053,049.34	105,764,864.57	21,121,421.72	2,080,972.86
%	10.69	16.95	14.33	1.14
2010	34,771,204.23	127,347,696.17	24,655,602.88	2,105,025.88



Cooperative Employment

As shown in Table 7, there were fifty-one respondents in the study but only thirty-one cooperatives hired employees wherein ten (20%) were multi-purpose agriculture, 14 (27%) were multi-purpose non-agriculture, five (10%) in credit and two (4%) were service cooperative. The remaining twenty cooperatives said that members voluntarily do the job and do not hire employees.

Table 8 presents the employment generation of the different type of cooperatives in La Trinidad for the past five years. As it was shown, majority of the employees were regular followed by part-time employees and last were contractual employees. For the year 2006, cooperatives employed a total of 113 individuals and it increased to 136 in the year 2007. A decreased to 135 cooperative employees was realized in 2008 but it increased to 173 in year 2009. It further increased to 194 employees in the year 2010.

The result shows that there was a slight increase of employment this past five years from 2006 to 2010 because some of the selected cooperative decreased their employees while others were stagnant. Furthermore, it shows that majority of the cooperative employees were female which indicates that findings support the statement of the National Statistics Office (NSO) where they said in an interview that jobless Filipino men outnumbered their female counterparts at 1.7 million versus 1.1 million employed Filipino (GMANewsTV, 2010).



Table 7. Availability of employees

PARTICULAR	AVAILABLE		NOT AVAILABLE	
	F	%	F	%
MPC Agri	10	20	10	20
MPC Non-agri	14	27	8	16
Credit	5	10	2	4
Service	2	4	-	-

Table 8. Cooperative employment generation in La Trinidad from 2006 to 2010

COOPERATIVE	2006		2007		2008		2009		2010	
	F	%	F	%	F	%	F	%	F	%
MPC Agri										
Regular										
Male	4	4	10	7	11	8	16	9	21	11
Female	11	10	16	12	14	10	25	14	30	15
Contractual										
Male	-	-	1	1	2	1	1	1	4	2
Female	-	-	2	1	3	2	5	3	4	2
Part-time										
Male	2	2	2	1	-	-	-	-	1	1
Female	5	4	1	1	1	1	2	1	5	3
MPC Non-agri										
Regular										
Male	14	12	12	9	14	10	20	12	24	12
Female	25	22	25	18	26	19	29	17	30	15
Contractual										
Male	2	2	3	2	2	1	8	5	8	4
Female	3	3	3	2	4	3	7	4	6	3



Table 8 continued . . .

COOPERATIVE	2006		2007		2008		2009		2010	
	F	%	F	%	F	%	F	%	F	%
Part-time										
Male	5	4	5	4	7	5	4	2	8	4
Female	22	19	24	18	20	15	23	13	19	10
Credit										
Regular										
Male	3	3	4	3	4	3	4	2	4	2
Female	5	4	4	3	4	3	4	2	5	3
Part-time										
Male	4	4	2	1	2	1	2	1	2	1
Female	8	7	11	8	11	8	11	6	11	6
Service										
Regular										
Male	-	-	5	4	5	4	5	3	5	3
Female	-	-	5	4	4	3	6	3	6	3
Part-time										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	1	1	1	1	1	1	1	1
TOTAL	113	100	136	100	135	100	173	100	194	100



Labor Cost

This section discusses the labor cost incurred by the different types of cooperatives for the past five years from 2006 to 2010. It focused on salaries and wages and the benefits and privileges given to their employees.

Salaries and wages. As shown in Table 9, multi-purpose agriculture cooperatives incurred a percentage increase of 47.44% in year 2006 to 2007 but it declined to 1.49% in 2007 to 2008. Moreover, it further increased to 38.93% in 2008 to 2009 and 39.22% in 2009 to 2010. For multi-purpose non-agriculture cooperatives, the salaries and wages had a percentage increase of 43.21% in 2006 to 2007 but it decline in the year 2007 to 2008 with 10.53% decrease. It further increases to 21.78% and 22.11% in the following years. Credit cooperatives also increased in terms of salaries and wages but incur a decrease of 1.35% in 2007 to 2008 and 11.55 in 2009 to 2010. . For service cooperatives, there was no recorded cost for salaries and wages for the year 2006 because they haven't hired employees while in the year 2007 they incur Php. 762,000.00 which further increased in the following years.

The results point out that there was an increase in salaries and wages except for the year 2008 wherein most of the different cooperative type have decreasing amount but it further increased in the following years. This implies that the selected cooperatives studied had been spending increasing amount for the salaries and wages of the employees.

Benefits and privileges. This cost of benefits and privileges are the cost incurred by cooperatives employees' SSS, Philhealth or PAG-IBIG. Table 10 shows that for the year 2006 to 2007, multi-purpose agriculture incurred a percentage increase of 12.11%, multi-purpose non-agriculture cooperative incurred 26.37% percentage increase and credit



cooperatives incurred the highest percentage increase in benefits and privileges of 94.47%. Both the multi-purpose agriculture and credit cooperative incurred percentage decrease in year 2007 to 2008 with 13.36% and 1.80%, respectively. Benefits and privileges were further increased in the following years except for service cooperative that did not incur expense in the past five years.

Table 9. Total salary expense of the different type of cooperative

YEAR	TOTAL SALARY EXPENSE			
	MPA	MPN	CREDIT	SERVICE
2006	808,223.15	1,966,773.97	866,925.00	-
%	47.44	43.21	7.77	100.00
2007	1,537,573.00	3,463,300.30	939,925.00	762,000.00
%	(1.49)	(10.53)	(1.35)	2.56
2008	1,514,960.79	3,133,435.38	927,425.36	782,000.00
%	38.93	21.78	27.61	41.20
2009	2,480,717.89	4,006,143.56	1,281,110.84	1,329,893.92
%	39.22	22.11	(11.55)	12.58
2010	4,081,497.89	5,143,256.92	1,148,452.89	1,521,254.76



Table 10. Benefits and privileges of the different type of cooperative

YEAR	BENEFITS AND PRIVILEGES		
	MPA	MPN	CREDIT
2006	66,668.60	361,016.80	27,508.31
%	12.11	26.37	94.47
2007	75,851.80	490,323.48	497,286.75
%	(12.36)	21.58	(1.80)
2008	67,507.30	625,289.39	488,511.34
%	64.70	26.90	28.21
2009	191,257.46	855,393.61	680,434.49
%	17.78	12.46	13.73
2010	232,607.78	977,110.89	788,695.80

Cooperative Employment Preferences

This presents a discussion on how the cooperatives consider educational attainment and courses on hiring, the availability of manual of policies and procedures on human resource development.

Educational attainment. Table 11 shows the preferred educational attainment of the different type of cooperatives in hiring their employees. Multi-purpose cooperative prefer college graduates (35%) and high school graduates (8%). Multi-purpose non-agriculture cooperatives also prefer college graduates (39%) and high school graduates (2%) while credit cooperatives only prefer college graduates (14%). Meanwhile, service cooperatives choose college graduates (4%), high school graduates (1%) and graduate of technical or vocational courses (1%).

The findings indicate that most of the cooperative prefer college graduates and that skills required in the job are highly technical.



Table 11. Preferred educational attainment of cooperatives in hiring employees

EDUCATIONAL ATTAINMENT	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
High School	4	8	1	2	-	-	1	2
College	18	35	20	39	7	14	2	4
Technical/ Vocational	1	2	1	2	-	-	1	2

* Multiple response

Preferred courses. Table 12 presents the preferred courses in hiring employees of the different type of cooperatives.

Multi-purpose agricultural cooperatives preferred accountancy or commerce graduates (33%) than agri-business or agriculture graduates (22%) and education graduate (2%). Accountancy or commerce graduates (39%) were preferred by multi-purpose non-agriculture cooperatives and agri-business or agriculture graduates (8%) but also prefer engineering and information technologists (2%). Same as through with credit cooperatives which prefer accountancy or commerce graduates (12%) and agri-business or agriculture graduates (4%). Service cooperatives prefer accountancy or commerce graduates and agri-business or agriculture graduates. The Lt. Diagnostic & Medical-Surgical Clinic MPC preferred radiologist or medical technologists.

Moreover, cooperatives also prefer that graduated in any course but were willing to undergo trainings or any courses that are related to the job description.



The results implies that majority of the cooperatives preferred accountancy or commerce graduate than the other courses, taking into consideration that the form of job was more on bookkeeping. Some multi-purpose agricultural cooperatives prefer agribusiness or agriculture graduates because of the nature of their businesses like production and marketing of agricultural produce.

Table 12. Preferred courses of the different type of cooperatives in hiring employees

PREFERRED COURSES	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
Accountancy/ Commerce	17	33	20	39	6	12	1	2
Agribusiness/ Agriculture	11	22	4	8	2	4	1	2
Education	1	2	-	-	-	-	-	-
Hotel and Restaurant Management	-	-	3	6	-	-	-	-
Engineering	-	-	1	2	-	-	-	-
Information Technologist	-	-	1	2	-	-	-	-
Radiologist/Medical Technologist	-	-	-	-	-	-	1	2
Others	1	2	1	2	-	-	-	-

* Multiple response



Manual of policies and procedure. Table 13 shows the availability of the manual of policies and procedures in the different types of cooperatives with regards to human resource development. Thirty-one of the cooperatives that hired employees answered but the remaining twenty cooperatives noted that it is not applicable because they have no employees.

In multi-purpose agriculture cooperatives, 17 (33%) said that there were no manual of policies and procedure for both hiring promotion and firing and staff development while 3 (6%) have. Same as through with the other areas, 16 (31%) answered that there were no compensation and benefits, 17 (33%) performance appraisal and 15 (29%) job description. For multi-purpose non-agriculture cooperatives, 12 (24%) of them said they have no manual policy for hiring, promotion and firing while 10 (20%) have. On staff development, 10 (20%) said they have the policy and 12 (24%) said they do not have. Eleven (22%) mentioned that they have manual in policy regarding the availability of compensation and benefits and job description while 11 (22%) mentioned that they do not have. On their performance appraisal, 16 (31%) answered that they have no policy and 6 (12%) that have. In credit cooperatives, 4 (8%) answered that they do not have policy on hiring, promotion and firing, staff development, compensation and benefits and job description than the 3 (6%) that does have. Majority (10%) also answered that they do not have manual policy regarding performance appraisal. For service cooperative, Table 13 shows that there were an equal percentage of those who do not have the policies than those that have.

The result shows that majority of the different type of cooperatives do not have their manual of policies and procedure with regards to human development. This indicates that they do not have a policy that could enhance the performance of their employees.



Therefore, it is recommended that the Cooperative Development Authority should monitor and supervise the cooperatives in making their manual of policies and procedures regarding human resource development for the betterment of the cooperative employees.

Table 13. Availability of manual of policies and procedures of cooperatives

PARTICULAR	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
Hiring, Promotion and Firing								
Manual Available	3	6	10	20	3	6	1	2
No Manual	17	33	12	24	4	8	1	2
Staff Development								
Manual Available	3	6	10	20	3	6	1	2
No Manual	17	33	12	24	4	8	1	2
Compensation and Benefits								
Manual Available	4	8	11	22	3	6	1	2
No Manual	16	31	11	22	4	8	1	2
Performance Appraisal								
Manual Available	3	6	6	12	2	4	1	2
No Manual	17	33	16	31	5	10	1	2
Job Description								
Manual Available	5	10	11	22	3	6	1	2
No Manual	15	29	11	22	4	8	1	2



Problems and Issues on Employment

These discussed the problems and issues on employment like the compliance of legal minimum wage and 13th month pay, compliance of their mandatory requirement contribution of remittance to the agencies, availability of retirement benefits, difficulty on different agency to comply, the common factors for turn-over and problems encountered on employment. This section was answered by the thirty-one different cooperative that have regular employees.

Legal minimum wage & 13 month pay. It shows in Table 14 the compliance for legal minimum wage and 13th month pay to the employees.

In multi-purpose agriculture cooperatives, 16% of the cooperatives comply and 4% did not comply for their regular employees. Majority (20%) of the cooperatives did not comply on contractual employees and for their part-time employees 18 % did not comply while 2% complied. For multi-purpose non-agriculture cooperatives, 20% of the cooperative complied while 8% did not comply on the regular employees and most cooperative did not comply on contractual (22%) and part-time (20%).Credit cooperatives also comply on their regular employees than on contractual and part-time. The table also shows that service cooperatives comply for both regular (4%) and part-time (4%).

The results indicate that cooperatives comply for legal minimum wage and 13th month pay only to the regular employees of the cooperative and do not comply with those who work contractual or part-time.



Table 14. Compliance of legal minimum wage and 13th month pay to the employees

PARTICULAR	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
Regular								
Comply	8	16	10	20	4	8	2	4
Did not comply	2	4	4	8	1	2	-	-
Contractual								
Comply	-	-	3	6	1	2	-	-
Did not comply	10	20	11	22	4	8	2	4
Part-time								
Comply	1	2	4	8	3	6	2	4
Did not comply	9	18	10	20	2	4	-	-

Mandatory requirement contribution of remittance to the agencies. Table 15 shows the compliance of cooperative to the mandatory requirement contribution/remittance to SSS, Philhealth, Home Development Mutual Fund (HDMF) and BIR. On the SSS, most of the cooperatives comply on regular employees than on the contractual and part-time. Majority of the cooperatives also comply on Philhealth and HDMF, Philhealth and BIR for the regular employees.

The findings imply that majority of the cooperatives comply more on the mandatory requirement contribution/remittance to their regular employees but not on the contractual and part-time employees.



Table 15. Compliance of mandatory requirement contribution/remittance

PARTICULAR	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
A. SSS								
Regular								
Comply	6	12	9	18	2	4	2	4
Did not								
comply	4	8	5	10	3	6	-	-
Contractual								
Comply	1	2	3	6	1	2	-	-
Did not								
comply	9	18	11	22	4	8	2	4
Part-time								
Comply	-	-	1	2	-	-	1	2
Did not								
comply	10	20	13	25	5	10	1	2
B. PhilHealth								
Regular								
Comply	5	10	9	18	2	4	2	4
Did not								
comply	5	10	5	10	3	6	-	-
Contractual								
Comply	1	2	3	6	1	2	-	-
Did not								
comply	9	18	11	22	4	8	2	4
Part-time								
Comply	-	-	1	2	-	-	1	2
Did not								
comply	10	20	13	25	5	10	1	2
C. HDMF								



Regular									
Comply	5	10	9	18	2	4	2	4	
Did not									
comply	5	10	5	10	3	6	-	-	
Contractual									
Comply	1	2	3	6	1	2	-	-	
Did not									
comply	9	18	11	22	4	8	2	4	

Table 15 continued . . .

PARTICULAR	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
Part-time								
Comply	-	-	1	2	-	-	1	2
Did not								
comply	10	20	13	25	5	10	1	2
D. BIR								
Regular								
Comply	5	10	7	14	2	4	1	2
Did not								
comply	5	10	7	14	3	6	1	2
Contractual								
Comply	-	-	2	4	1	2	-	-
Did not								
comply	10	20	12	24	4	8	2	4
Part-time								
Comply	-	-	1	2	-	-	1	2
Did not								
comply	10	20	13	25	5	10	1	2



Retirement benefits. As shown in Table 16, cooperatives in multi-purpose non-agriculture cooperatives, credit cooperatives and service cooperative gave retirement benefits to their employees. All of the multi-purpose agriculture cooperatives answered that no retirement benefits were given to the employees. Retirement benefits were given to those employees who serve the cooperative for a period of time until he/she chose to leave his job or at retirement age.

The findings implies that majority of the cooperative with hired employees were not given retirement benefits.

Table 16. Availability of retirement benefits of cooperatives

PARTICULAR	MPA		MPN		CREDIT		SERVICE	
	F	%	F	%	F	%	F	%
With Retirement								
Benefits	-	-	6	12	1	2	1	2
Without Retirement								
Benefits	10	20	8	16	4	8	1	2

Difficulty of compliance to the agencies. Table 17 shows the different agencies that have been ranked by the cooperatives as to their difficulty of compliance. The difficulty of compliance was ranked based from the mean. The Bureau of Internal Revenue (BIR) ranked first as the most difficult with mean of 1.29 while Social Security System (SSS) ranked second with 2.16 mean and Department of Labor and Employment (DOLE) as the third having 2.87 mean. The Local Government Unit (LGU) was considered the less



difficult agency to comply with, having 3.61 mean. The result implies that most cooperative was hard up in complying with the BIR.

Reasons for difficulty of compliance. Table 18 shows the reasons of cooperatives for the difficulty of compliance to the agencies identified. Most cooperatives answered that the agencies have many paper requirements. Cooperatives also mentioned the unfair computation and tax mapping, unfriendliness of employees and long queues. Cooperatives added that the agencies have high assessment fees, difficult computation of with-holding tax due to their yearly salary adjustment and non-remittance of employee contribution by the past administration.

Table 17. Difficulty of cooperatives to comply with the agencies

PARTICULAR	COMPLIANCE DIFFICULTY				MEAN	RANK
	4	3	2	1		
BIR	2	-	3	26	1.29	1
DOLE	5	19	5	2	2.87	3
SSS	-	8	20	3	2.16	2
LGU	24	2	5	-	3.61	4

Table 18. Reasons of difficulty of cooperative on compliance on agencies

REASONS	CREDI							
	MPA		MPN		T		SERVICE	
	F	%	F	%	F	%	F	%
Many paper requirements	6	12	8	16	3	6	1	2



Unfair computation & tax mapping	1	2	-	-	-	-	-	-
Unfriendly employees	-	-	1	2	1	2	-	-
High assessment fees	-	-	1	2	-	-	-	-
Difficult computation of with-holding tax due to yearly salary adjustment	-	-	3	6	-	-	-	-
Non-remittance of employee contribution by past administration	1	2	-	-	-	-	-	-
Long queues	1	2	-	-	1	2	-	-

*Multiple response

Employment turn-over. As shown in Table 19, most cooperatives have problems for turn-over because of low salary. Other common factors for turn-over were bad working condition, bullying in the job and benefits does not prevail which support Table 16 that majority of the cooperative does not provide benefits. Some cooperatives also added that they have other employment opportunities, employees have their personal problems and having voluminous work on the main job as common factor for turn-over. Voluminous work because some cooperatives were institutional or cooperatives that was established in the government agency so they are hard up in doing two things at a time.

Based from the findings, it is recommended that institutional cooperatives must hire a regular employee to lessen voluminous work.



Table 19. Employment turn-over

PARTICULAR	CREDI SERVIC							
	MPA		MPN		T		E	
	F	%	F	%	F	%	F	%
Low salary	10	20	7	14	2	4	1	2
Bad working condition	-	-	1	2	-	-	-	-
Bullying	1	2	-	-	-	-	-	-
Benefits doesn't prevail	1	2	-	-	-	-	-	-
Other employment opportunity	-	-	1	2	-	-	-	-
Employees personal problems	-	-	1	2	-	-	-	-
Voluminous work on the main job	-	-	-	-	1	2	-	-

*Multiple response

Problems on employment. Table 20 shows the problems of the thirty-one cooperatives with hired employees regarding employment. Most cooperatives answered that there was no salary increase or have low salary. Cooperatives also mentioned that employees hired do not have job experience and works were done voluntarily. Cooperatives also identified some of the internal problems being experienced such as dishonesty or disloyalty of some of the employees and slow action of the BOD on their business operation. Other cooperatives added that they were financially incapable to hire more employees which they need in their operation resulting to another problem of individuals doing voluntary work which affects their performance. A cooperative also mentioned that they have no formalized human resource policies and some were unaware about the cooperative.



Table 20. Problems of cooperative on employment

PROBLEMS	CREDI							
	MPA		MPN		T		SERVICE	
	F	%	F	%	F	%	F	%
Low Salary	2	4	2	4	-	-	1	2
Dishonesty/Disloyalty	1	2	-	-	-	-	-	-
Unawareness about cooperative	1	2	-	-	-	-	-	-
No job experience	1	2	1	2	-	-	-	-
Financial incapable to hire	-	-	1	2	-	-	-	-
Slow action of BOD on business operation	-	-	1	2	-	-	-	-
No formalize human resource policies	-	-	1	2	-	-	-	-
Works are done voluntarily	-	-	1	2	1	2	-	-

*Multiple response



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This study was conducted to determine the employment generation of cooperatives in La Trinidad wherein fifty-one operating cooperatives that comply at least three years in the Cooperative Development Authority. This includes their profile, financial data, number of employees generated, labor costs, employment growth preferences and problems and issues regarding employment.

Majority of the cooperative were operating in their municipality. Most are multi-purpose agriculture cooperatives and multi-purpose non-agriculture cooperatives. They were registered between the years 1991 to 1995 and exist for almost ten years or more. Most cooperatives have less than 100 members.

As to their financial status, the cooperatives incurred growth in total asset and total paid-up share capital as reflected in their financial and annual reports.

On the employment, the study shows that out of the 51 respondents, 31 cooperatives have regularly paid employees and majority of them had an increasing trend in their employment generation. It was also found out that majority of the employees were female. On their labor cost, the salaries and wages and benefits and privileges slightly increased but decreased in 2008 but further increased in the following years.

As to the cooperatives employment preferences, most of the cooperatives prefer college graduates in hiring their employees. Cooperatives prefer accountancy or commerce graduate but some agricultural cooperatives prefer agri-business or agriculture graduates because of the nature of their business. Majority of the different type of cooperatives do not have their manual of policies and procedure with regards to human development.



Regarding the problems and issues, cooperatives comply for legal minimum wage and 13th month pay only to the regular employees of the cooperative. In addition, cooperatives comply more on the mandatory requirement contribution/remittance on their regular employees. Most of the cooperative with regularly paid employees do not give retirement benefits.

As to their compliance to government requirements, most cooperatives are hard up in complying with BIR and the study shows that the reason was the voluminous paper requirements to be submitted. For the common factors of turn- over, majority mentioned that there is a low salary. Same as through with the problems on employment, most cooperatives answered that they have no salary increase or their salaries were not enough.

Conclusions

Based on the findings, the following conclusions were derived:

1. Cooperatives have increasing trend of regularly paid employees for the past five years and they have 194 employees in the year 2010. Most employees are female.
2. Cooperatives' labor costs have increased though they have a year with a decreasing value but soon recovered and get back on track.
3. Some of the respondents do not hire employees and their members do the voluntary work on the cooperative.
4. Most of the cooperatives spent labor cost on regular employees.
5. In hiring, most cooperatives preferred college degree holder that are accountancy or commerce graduates.
6. Majority of the cooperatives do not have manual of policies and procedure and does not give employment benefits.



7. Cooperatives favor regular employees in compliance of the legal minimum wages and 13th month pay, also on the mandatory remittances.

8. Employees on the cooperative have problems on low salary or having no salary increase.

Recommendations

For cooperative employment generation to improve, recommendations were made based on the findings;

It was recommended that cooperative should closely monitor and improve their business operation then they could become competitive and would be able to hire more employees. Furthermore, cooperatives without manual of policies and procedures should formulate their own policies and procedures and should review their existing guidelines and policies regarding human resource development. Cooperatives must also monitor the compliance of requirements with the different agencies.

In addition, to reduce voluminous works which were the problem of institutional cooperative, it was recommended that they would hire full-time employees. For the cooperatives that do not have regularly paid employees and members doing the voluntary work, they should organize human resource capability building to their members. This would likely be helpful when the cooperative will be able to hire employees because the members that were educated would be the one to orient the new employees.



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