

Governance, Satisfaction, and Engagement as Key Drivers of Membership Retention

Mark Anthony C. Veloz., Anthony Ly B. Dagang

Business Administration, Lourdes College, Inc., Cagayan de Oro City, Philippines

DOI: <https://doi.org/10.51244/IJRSI.2026.1303000128>

Received: 24 March 2026; Accepted: 30 March 2026; Published: 08 April 2026

ABSTRACT

In the context of increasing competition from banks and technology-driven financial institutions, cooperatives face growing challenges in sustaining long-term membership. This study examined the extent to which governance, member satisfaction, and member engagement serve as key drivers of membership retention in a cooperative in one of the cities in Bukidnon, Philippines. Despite existing studies, limited empirical evidence explains how these factors collectively influence membership retention in local cooperative settings. Anchored on the SERVPERF Model and Social Exchange Theory, the research employed a descriptive-correlational design. Data were collected from cooperative members selected through simple random sampling. A structured researcher-developed questionnaire based on SERVPERF dimensions and governance and engagement constructs was used. The instrument underwent content validation, reliability testing (Cronbach's alpha), and construct validation through exploratory and confirmatory factor analyses. Descriptive statistics were used to determine the levels of governance, member satisfaction, member engagement, and membership retention, while Canonical Correlation Analysis and Multiple Linear Regression were applied to examine their relationships and predictive influence. Results revealed that all major variables and their respective dimensions were assessed at generally high levels. Significant multivariate relationships were established between governance and retention, satisfaction and retention, and engagement and retention. Member engagement emerged as the strongest predictor of membership retention, followed by member satisfaction and governance. The study concludes that transparent governance, high service performance, and sustained member engagement collectively reinforce loyalty and advocacy, thereby strengthening cooperative competitiveness, institutional resilience, and long-term sustainability. Future research may explore these variables across different cooperative settings and consider additional factors, such as digital service adoption and organizational culture, to enhance the understanding of membership retention.

Keywords: Governance, Member Satisfaction, Member Engagement, Membership Retention, SERVPERF Model

INTRODUCTION

Multipurpose cooperatives (MPCs) play a significant role in promoting financial inclusion and improving member welfare by providing credit, savings, and livelihood services that support community development and local economic stability. However, cooperative sustainability depends not only on service provision but also on the ability to retain members. Strong membership retention secures stable resources, strengthens trust, and sustains participation, which are essential for long-term cooperative growth (Almaiah et al., 2022).

A cooperative in one of the cities in Bukidnon, currently operating as an open-type cooperative, faces increasing pressure to sustain membership retention amid growing competition from banks and technology-driven financial institutions. While cooperative transactions are largely conducted through in-office visits, banks and digital platforms allow clients to access financial services instantly through mobile applications.

Studies in the Philippines indicate that competition from larger financial providers can weaken membership stability and challenge the survival of smaller cooperatives (Macaraeg & Dacanay, 2021).

Membership records from 2020 to 2024 indicate growth from 1,034 to 1,902 members. Despite this increase, annual termination rates ranging from 111 to 159 suggest persistent difficulties in sustaining member loyalty. Although membership targets introduced in 2022 were initially achieved, subsequent shortfalls and the projected 2025 target of 1,680 members highlight the need to strengthen retention strategies.

Previous studies identify governance, member satisfaction, and member engagement as important determinants of membership retention. Governance practices that demonstrate trust, transparency, and social responsibility strengthen member confidence and loyalty (Ricadonna et al., 2023; Yeboah & Agyapong, 2023). Member satisfaction, reflected in reliable, responsive, assuring, empathetic, and tangible service performance, consistently predicts continued membership (Manzano, 2024; Zamzami et al., 2022; Sapkota et al., 2023). Member engagement, including cooperative awareness, perceived value, and participation, also strengthens loyalty and reduces member dropout (Reyes, 2022; Gil-Salapi, 2024; Ngugi & Mugo, 2023). In the Philippines, these factors collectively enhance member commitment and retention (Lopez, 2021; Tumban & Delos Reyes, 2024).

However, empirical evidence on the combined influence of governance, member satisfaction, and member engagement on cooperative membership retention remains limited, particularly within the Philippine cooperative sector. Most existing studies examine these factors independently or within broader organizational contexts, leaving a limited understanding of how they interact to influence retention in specific cooperative environments such as one of the cities in Bukidnon. This gap restricts the development of context-based strategies to strengthen member loyalty and sustain cooperative competitiveness.

This study examines the influence of governance, member satisfaction, and member engagement on membership retention in a cooperative in one of the cities in Bukidnon. The findings aim to provide evidence-based insights that may improve service delivery, strengthen cooperative identity, and support strategies that enable cooperatives to compete with banks and other financial institutions.

In a broader perspective, strengthening cooperative membership retention contributes to the United Nations Sustainable Development Goals, particularly SDG 8 (Decent Work and Economic Growth) through inclusive financial services and SDG 11 (Sustainable Cities and Communities) by strengthening resilient local institutions (United Nations, 2021).

LITERATURE REVIEW

Membership retention remains a critical concern for cooperatives seeking long-term sustainability and institutional stability. Retention is influenced by the interaction of governance, service performance, and member involvement. In cooperative settings, members evaluate not only service quality but also leadership credibility and the value gained from participation. Thus, retention emerges from both structural conditions and relational experiences within the organization.

This study is anchored on the SERVPERF model (Cronin & Taylor, 1992) and Social Exchange Theory (Blau, 1964), which explain how service performance and perceived benefits influence member commitment. The SERVPERF model assesses satisfaction based on actual service performance across five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. In cooperatives, these dimensions reflect efficient transactions, responsive staff assistance, secure services, personalized support, and adequate facilities. Empirical studies confirm the relevance of SERVPERF in cooperative contexts. Manzano (2024) found that service quality significantly predicts satisfaction in Filipino cooperatives, while Sapkota et al. (2023) reported that positive service evaluations strengthen loyalty and reduce member withdrawal.

Complementing this perspective, Social Exchange Theory posits that individuals sustain relationships when perceived benefits outweigh costs. In cooperatives, members evaluate governance fairness, financial benefits,

and opportunities for participation. When leadership demonstrates transparency, accountability, and social responsibility, members reciprocate through loyalty and advocacy. Previous studies indicate that trust and perceived fairness strengthen commitment (Garcia & Dela Peña, 2023), while awareness and perceived value enhance engagement and retention (Reyes, 2022; Zamzami et al., 2022).

Governance in cooperatives is commonly reflected through trust, transparency, and social responsibility. Trust develops when members perceive ethical leadership and consistent fulfillment of commitments (Ricadonna et al., 2023). Transparency promotes accountability and strengthens member confidence (Kaur & Soch, 2021; Nguyen & Le, 2023), while social responsibility reinforces members' identification with the cooperative through community-oriented initiatives (Yeboah & Agyapong, 2023). These governance dimensions collectively enhance institutional credibility and encourage continued membership.

Member satisfaction represents members' evaluation of their service experiences. Reliable and responsive services, professional staff, secure transactions, and supportive environments enhance satisfaction and strengthen positive perceptions of the cooperative (Lopez, 2021; Manzano, 2024). Studies show that satisfied members are more likely to remain loyal, participate actively, and advocate for the organization (Sapkota et al., 2023).

Member engagement includes cooperative awareness, perceived value of membership, and level of participation. Awareness promotes informed involvement in cooperative activities (Reyes, 2022), while perceived value shapes members' evaluation of benefits relative to contributions (Zamzami et al., 2022). Active participation strengthens collective identity and emotional attachment to the organization (Manzano, 2024). Through engagement, governance and service satisfaction are translated into sustained behavioral commitment.

Membership retention refers to the continued loyalty, participation, and advocacy of members. It encompasses both behavioral indicators, such as ongoing transactions, and attitudinal elements, including emotional attachment and willingness to recommend the cooperative. Research consistently shows that retention is influenced by trust, satisfaction, perceived value, and engagement (Alshurideh et al., 2020; Almaiah et al., 2022).

Overall, the literature indicates that membership retention is multidimensional. Governance establishes institutional trust, service performance generates satisfaction, and engagement transforms these factors into sustained loyalty and advocacy.

While prior studies have examined governance, service quality, and engagement as independent predictors of membership retention, limited attention has been given to how these factors operate as an integrated system within cooperative settings. This study extends the SERVPERF model and Social Exchange Theory by proposing that governance and service performance function as foundational and experiential mechanisms. Member engagement serves as the central behavioral pathway through which these factors are translated into sustained membership retention. By examining these relationships as an integrated system, the study contributes to a more comprehensive understanding of retention dynamics in member-driven organizations. Specifically, the study refines the SERVPERF model by demonstrating that service performance influences retention indirectly through engagement rather than as a purely direct outcome. It also extends Social Exchange Theory by showing that reciprocity in cooperative settings is activated through participatory involvement, where members translate perceived benefits into sustained behavioral commitment.

Accordingly, this study proposes that governance, member satisfaction, and member engagement collectively influence membership retention. Figure 1 illustrates the conceptual framework of the study.

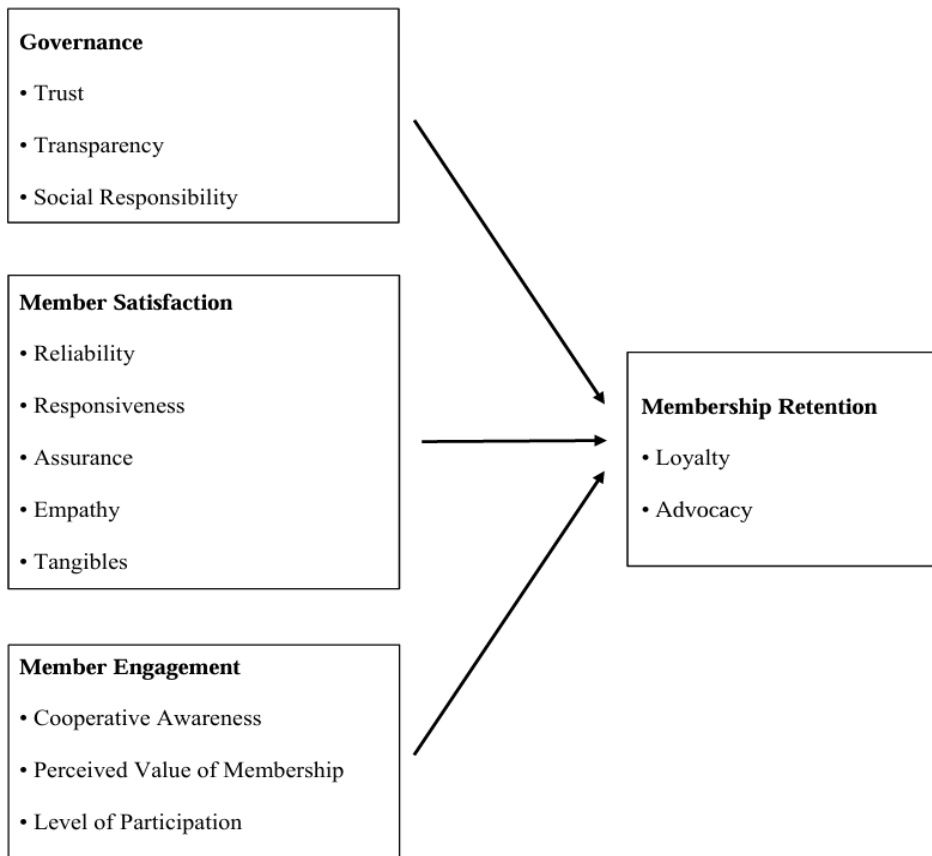


Figure 1. Schema of the Study

Research Questions

This study examined the influence of governance, member satisfaction, and member engagement on membership retention in a cooperative in one of the cities in Bukidnon. Specifically, it addressed the following research questions:

1. What is the participants' assessment of the cooperative's governance in terms of:
 - 1.1. trust;
 - 1.2. transparency; and
 - 1.3. social responsibility?
2. What is the participants' level of member satisfaction in terms of Reliability, Responsiveness, Assurance, Empathy, and Tangibles?
3. What is the participants' assessment of their member engagement in terms of:
 - 3.1. cooperative awareness;
 - 3.2. perceived value of membership; and
 - 3.3. level of participation?
4. What is the extent of the participants' membership retention in terms of:
 - 4.1. loyalty; and
 - 4.2. advocacy?
5. Are governance, member satisfaction, and member engagement significantly associated with membership retention?
6. Do governance, member satisfaction, and member engagement influence membership retention?

METHODOLOGY

This study employed a descriptive correlational research design to examine the relationships and predictive influence among governance, member satisfaction, member engagement, and membership retention in a cooperative in one of the cities in Bukidnon.

Data were collected from 384 cooperative members selected through simple random sampling. Participants were selected from the official membership list using a random number generator, ensuring equal probability of selection and minimizing sampling bias. All selected members completed the survey and were included in the analysis.

Data were collected through a structured questionnaire composed of researcher-developed items aligned with governance (trust, transparency, social responsibility), SERVPERF-based satisfaction dimensions (reliability, responsiveness, assurance, empathy, tangibles), member engagement (cooperative awareness, perceived value, participation), and membership retention indicators (loyalty and advocacy). Responses were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Content validity was established through expert review, followed by a pilot test with 30 participants. Cronbach's alpha values of 0.70 or higher indicated acceptable reliability. After the main data collection, Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were conducted using Jamovi to verify construct validity. Items not meeting statistical thresholds were removed.

All retained dimensions demonstrated excellent internal consistency, with Cronbach's alpha coefficients ranging from 0.938 to 0.962. Governance dimensions showed high reliability, with trust and social responsibility both at 0.959 and transparency at 0.956. Member satisfaction dimensions exhibited strong internal consistency ($\alpha = 0.938\text{--}0.962$), while member engagement dimensions also reflected excellent reliability ($\alpha = 0.952\text{--}0.962$). Membership retention dimensions recorded alpha values of 0.951 for loyalty and 0.962 for advocacy.

Retained indicators demonstrated factor loadings ≥ 0.60 , Cronbach's alpha and composite reliability ≥ 0.70 , and average variance extracted (AVE) ≥ 0.50 , confirming internal consistency and convergent validity. Model fit indices indicated good model fit (CFI and TLI > 0.95 ; RMSEA = 0.000–0.065). Data were analyzed using descriptive and inferential statistics. Means and standard deviations described the key variables, while Canonical Correlation Analysis (CCA) and Multiple Linear Regression (MLR) examined their relationships and predictive effects on membership retention.

Assumption tests were conducted prior to inferential analyses. Although moderate deviations from normality were observed (Skewness = -1.499 ; Kurtosis = 4.003), the distribution was acceptable given the large sample size ($n = 384$) and the robustness of parametric tests. Multicollinearity diagnostics indicated tolerance values between 0.133 and 0.152 and VIF values between 6.579 and 7.507, suggesting moderate to high multicollinearity. Although these values remain below the commonly accepted threshold of 10, they warrant cautious interpretation.

To ensure the robustness of the regression results, additional diagnostic checks were conducted to assess the stability of parameter estimates. The direction and significance of coefficients remained consistent, indicating that multicollinearity did not substantially distort the findings. While alternative approaches such as variable reduction or ridge regression may further address multicollinearity, the current model was retained due to its theoretical alignment and interpretability.

To address potential sources of bias associated with self-reported data collected through a single survey instrument, both procedural and statistical remedies were employed to assess common method bias (CMB). Procedurally, participants were assured of anonymity and confidentiality to reduce evaluation apprehension and social desirability bias. The questionnaire items were carefully structured using clear and concise wording, and constructs were measured based on established dimensions to minimize ambiguity and method-induced variance.

Statistically, a post hoc marker variable technique was applied. The tangibility dimension exhibited the lowest correlations among the study variables and was therefore treated as a proxy marker variable. Partial correlation analysis indicated that controlling for the marker variable did not substantially alter the relationships among governance, member satisfaction, member engagement, and membership retention. These results suggest that common method bias is unlikely to significantly influence the findings of the study.

RESULTS AND DISCUSSION

Participants Assessment of Cooperative Governance, Member Satisfaction and Member Engagement, and Membership Retention

Table 1 presents the descriptive statistics for governance, member satisfaction, member engagement, and membership retention.

The consistently high ratings across governance, member satisfaction, member engagement, and membership retention indicate a cooperative environment characterized by strong alignment between leadership practices, service delivery, and member participation. While these uniformly high ratings suggest a favorable assessment, they may also reflect a potential ceiling effect or positive response bias associated with self-reported data. This indicates that variations in member experiences may be less visible in aggregate scores and should be interpreted with caution.

Trust (M = 4.41) and social responsibility (M = 4.40) emerged as the strongest governance dimensions, suggesting that ethical and community-oriented leadership plays a critical role in reinforcing member confidence, consistent with recent studies emphasizing trust and credibility as key drivers of retention (Ricadonna et al., 2023; Yeboah & Agyapong, 2023). Assurance (M = 4.39) and empathy (M = 4.39) led the member satisfaction dimensions, underscoring the importance of interpersonal service quality, which aligns with findings that responsive and professional service interactions significantly influence member satisfaction and continued affiliation (Manzano, 2024; Sapkota et al., 2023).

This pattern suggests that governance is evaluated not only through formal mechanisms such as transparency but also through relational and value-based experiences. In cooperative contexts, trust functions as a social contract, reinforcing long-term commitment through perceived integrity and shared values rather than procedural compliance alone.

Table 1. Descriptive Statistics of Governance, Member Satisfaction, Member Engagement, and Membership Retention

| Variable | Dimension | Mean | SD | Interpretation |
|----------------------|-------------------------------|------|------|----------------|
| Governance | Trust | 4.41 | 0.67 | High |
| | Transparency | 4.33 | 0.68 | High |
| | Social Responsibility | 4.40 | 0.62 | High |
| Member Satisfaction | Reliability | 4.30 | 0.82 | High |
| | Responsiveness | 4.30 | 0.78 | High |
| | Assurance | 4.39 | 0.73 | High |
| | Empathy | 4.39 | 0.75 | High |
| | Tangibility | 4.36 | 0.76 | High |
| Member Engagement | Cooperative Awareness | 4.30 | 0.69 | High |
| | Perceived Value of Membership | 4.36 | 0.67 | High |
| | Level of Participation | 4.31 | 0.68 | High |
| Membership Retention | Loyalty | 4.36 | 0.69 | High |
| | Advocacy | 4.32 | 0.74 | High |

Perceived value ($M = 4.36$) showed the strongest member engagement indicator, indicating that members recognize the benefits of participation, a key factor in sustaining engagement and minimizing attrition (Reyes, 2022; Zamzami et al., 2022). While loyalty ($M = 4.36$) slightly exceeded advocacy ($M = 4.32$), this suggests that although members remain committed to the cooperative, translating satisfaction and engagement into active promotion may require stronger engagement strategies, as advocacy behaviors are typically associated with deeper involvement and perceived value (Almaiah et al., 2022). This distinction suggests that internal commitment does not automatically translate into external promotion, indicating a potential gap between member satisfaction and advocacy behavior that warrants further strategic attention. The low variability in responses further indicates consistency in member perceptions, reflecting a stable cooperative environment supported by credible leadership, dependable service delivery, and sustained member involvement.

Canonical Correlation Analysis of Cooperative Governance (Trust, Transparency, and Social Responsibility) and Membership Retention (Loyalty and Advocacy)

Table 2 presents a canonical correlation analysis between cooperative governance factors in terms of trust, transparency, and social responsibility to the dependent variable membership retention in terms of loyalty and advocacy.

Table 2. Canonical Correlation Analysis Between Cooperative Governance in terms of Trust, Transparency and Social Responsibility to Membership Retention in Terms of Loyalty and Advocacy

| Variable | Cross loading | R | R ² | F(6,758) | p |
|-----------------------|---------------|--------|----------------|----------|-------|
| Governance | | .873** | .762 | 133.45 | <.001 |
| Trust | -.847 | | | | |
| Transparency | -.828 | | | | |
| Social Responsibility | -.819 | | | | |
| Membership Retention | | | | | |
| Loyalty | -.848 | | | | |
| Advocacy | -.842 | | | | |

**Significant at 0.01 two-tailed alpha level.

The results show a strong and significant relationship between governance and membership retention ($R = .873$, $p < .001$), explaining 76.2% shared variance. Compared with other independent variables, governance demonstrates a strong but relatively lower association with membership retention. This suggests that while trust, transparency, and social responsibility are critical in establishing institutional credibility, governance primarily functions as a foundational mechanism rather than the most direct driver of sustained membership.

The strong cross-loadings of trust, transparency, and social responsibility indicate that members' confidence in leadership plays a central role in shaping membership retention outcomes. This supports recent findings that credible and ethical governance strengthens trust and reinforces long-term commitment in cooperative and financial settings (Ricadonna et al., 2023; Yeboah & Agyapong, 2023). However, the comparatively lower magnitude of association implies that governance alone may not fully translate into active loyalty and advocacy without complementary experiential and participatory factors.

Canonical Correlation Analysis of Member Satisfaction (Reliability, Responsiveness, Assurance, Empathy, and Tangibility) and Membership Retention (Loyalty and Advocacy)

Table 3 presents canonical correlation analysis between member satisfaction factors in terms of reliability, responsiveness, assurance, empathy and tangibility to the dependent variable membership retention in terms of loyalty and advocacy.

Table 3. Canonical Correlation Analysis Between Member Satisfaction Factors in Terms of Reliability, Responsiveness, Assurance, Empathy and Tangibility to Membership Retention in Terms of Loyalty and Advocacy

| Variable | Cross loading | R | R ² | F (10,754) | p |
|----------------------|---------------|--------|----------------|------------|-------|
| Member Satisfaction | | .876** | .767 | 81.40 | <.001 |
| Reliability | -.816 | | | | |
| Responsiveness | -.815 | | | | |
| Assurance | -.835 | | | | |
| Empathy | -.833 | | | | |
| Tangibility | -.743 | | | | |
| Membership Retention | | | | | |
| Loyalty | -.856 | | | | |
| Advocacy | -.841 | | | | |

**Significant at 0.01 two-tailed alpha level.

A strong and significant relationship was found between member satisfaction and membership retention ($R = .876$, $p < .001$), explaining 76.7% shared variance. Compared to governance, member satisfaction demonstrates a slightly stronger association with membership retention, indicating that service performance plays a more direct role in influencing members' continued affiliation.

The strong contributions of assurance and empathy suggest that interpersonal service quality enhances members' experiences, reinforcing positive evaluations of the cooperative. This aligns with recent studies showing that reliable, responsive, and professional service interactions significantly strengthen satisfaction and reduce member attrition (Manzano, 2024; Sapkota et al., 2023). Despite this, satisfaction remains largely experiential; while it reinforces favorable perceptions, it may not fully translate into sustained behavioral commitment without deeper member involvement, which explains why its influence remains lower than that of engagement. An alternative explanation is that satisfaction may overlap with perceived value and engagement-related constructs, suggesting that its influence may be partially embedded within broader experiential factors. This indicates that satisfaction alone may not fully capture the behavioral dimensions required for sustained retention.

Canonical Correlation Analysis of Member Engagement (Cooperative Awareness, Perceived Value of Membership, and Level of Participation) and Membership Retention (Loyalty and Advocacy)

Table 4 presents canonical correlation analysis between member engagement factors in terms of cooperative awareness, value of membership, and level of participation to the dependent variable membership retention assessed through loyalty and advocacy.

Member engagement showed the strongest relationship with membership retention ($R = .921$, $p < .001$), explaining 84.8% shared variance, indicating that it is the most influential predictor among the variables examined. The strong cross-loadings of participation, perceived value, and cooperative awareness highlight that engagement reflects not only members' understanding of the cooperative but also their active involvement and sense of ownership.

Table 4. Canonical Correlation Analysis Between Member Engagement in Terms of Cooperative Awareness, Value of Membership, and Level of Participation to Membership Retention in Terms of Loyalty and Advocacy

| Variable | Cross loading | R | R ² | F (6,758) | p |
|-------------------------------|---------------|--------|----------------|-----------|-------|
| Member Engagement | | .921** | .848 | 199.62 | <.001 |
| Cooperative Awareness | -.866 | | | | |
| Perceived Value of Membership | -.878 | | | | |
| Level of Participation | -.890 | | | | |

| | | | | |
|---|-------|--|--|--|
| Membership Retention | | | | |
| Loyalty | -.898 | | | |
| Advocacy | -.885 | | | |
| **Significant at 0.01 two-tailed alpha level. | | | | |

The dominance of member engagement suggests that membership retention is most effectively sustained when members are not only satisfied but actively integrated into cooperative activities and decision-making processes. This also implies that retention is not merely a passive outcome of positive perceptions but an active process shaped by member participation. The strong influence of engagement reflects its role as a mechanism that integrates both satisfaction and governance into observable behavioral commitment. This finding is supported by recent studies emphasizing that perceived value and participation significantly enhance loyalty and advocacy behaviors (Reyes, 2022; Zamzami et al., 2022). Furthermore, engagement operationalizes the benefits emphasized in Social Exchange Theory, where members reciprocate perceived value through continued participation and commitment (Almaiah et al., 2022). As such, engagement represents the most direct pathway through which governance and satisfaction are translated into sustained membership retention.

The Influence of Cooperative Governance, Member Satisfaction, Member Engagement to Membership Retention

Table 5 presents the multiple regression analysis testing the influence of the cooperative governance, member satisfaction and member engagement on membership retention.

Table 5. Multiple Regression Analysis on the Influence of Cooperative Governance, Member Satisfaction and Member Engagement to the Cooperatives Membership Retention

| | Unstandardized Coefficients | | Standardized Coefficients | t | p |
|--|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| (Constant) | -.043 | .063 | | -.678 | .498 |
| Governance | .115** | .038 | .109 | 3.047 | .002 |
| Member Satisfaction | .114** | .037 | .113 | 3.072 | .002 |
| Member Engagement | .781** | .035 | .762 | 22.16 | .000 |
| Model Summary | | | | | |
| R = .965 R ² = .932 Adjusted R ² = .931 F = 1726.96 p < .001 | | | | | |

** . Significant at the 0.01 level (2-tailed).

The regression model was highly significant, explaining 93.2% of the variance in membership retention. Member engagement emerged as the strongest predictor ($\beta = .762, p < .001$), followed by member satisfaction ($\beta = .113, p = .002$) and governance ($\beta = .109, p = .002$). However, the strong coefficient of engagement may also indicate potential conceptual overlap with related constructs such as satisfaction and perceived value, suggesting that these variables may operate interactively rather than independently. This warrants cautious interpretation of the relative magnitude of effects.

These findings support Social Exchange Theory (Blau, 1964), which posits that individuals maintain relationships when perceived benefits outweigh costs. Members who actively participate and recognize the value of membership are more likely to reciprocate through loyalty and advocacy. While governance and service satisfaction provide structural and experiential foundations, engagement translates this into active commitment.

The SERVPERF framework further explains how reliable service, assurance, and empathy enhance member satisfaction, which supports membership retention. However, the stronger coefficient of engagement indicates that participatory involvement plays a more decisive role in retaining members over time.

Overall, membership retention in cooperatives is shaped by the combined influence of governance credibility, service satisfaction, and active engagement. Governance builds institutional trust, satisfaction reinforces positive service experiences, and engagement transforms these into sustained loyalty and advocacy. Strengthening member awareness, perceived value, and participation may therefore produce the greatest impact on long-term membership retention.

Although the findings are consistent with prior research, they extend existing literature by highlighting the comparatively stronger role of engagement over governance and satisfaction. While previous studies often emphasize service quality and trust as primary drivers of retention, the present findings suggest that participatory mechanisms may play a more dominant role in cooperative settings. This indicates that retention is not solely influenced by service performance or institutional credibility but is more strongly shaped by the extent of member integration and involvement within the organization.

CONCLUSION

Membership retention in the cooperative is shaped by the combined influence of governance credibility, service performance, and active member engagement. Governance builds institutional trust and transparency, service performance enhances members' experiential evaluation, and engagement translates these into sustained behavioral commitment. The findings affirm that retention is not driven by a single factor but by the integrated interaction of trust, service quality, and participatory involvement, with engagement playing the most decisive role in sustaining long-term membership.

Despite the strength of the findings, the study's generalizability is limited by its focus on a single cooperative in one of the cities in Bukidnon. The results reflect context-specific organizational practices, member characteristics, and operational conditions, which may limit the generalizability of the findings to other cooperatives with different structures, sizes, or geographic settings. Future research may extend this study by examining multiple cooperatives across regions, comparing different cooperative types, or incorporating longitudinal designs to validate the stability of these relationships over time.

RECOMMENDATIONS

Based on the findings, the following are recommended:

1. Cooperative Board of Directors

Sustaining transparency and accountability mechanisms through regular communication during general assemblies, systematic disclosure of financial and operational information, and structured feedback channels is encouraged to further enhance member trust and institutional confidence.

2. Cooperative Management

Continuous refinement of operational systems to maintain reliability and responsiveness, including streamlining transaction procedures, improving turnaround times, enhancing system functionality, and establishing a formal service recovery and grievance handling framework, is recommended to strengthen member loyalty and advocacy.

3. Human Resource and Training Units

Sustaining capability development initiatives through training programs emphasizing empathy, professionalism, communication skills, and member-centered service delivery is encouraged to enhance positive member experiences.

4. Education and Membership Committee

Strengthening initiatives that promote awareness, perceived value, and active participation through structured orientations, financial literacy sessions, clear communication of benefits, and expanded opportunities for involvement is recommended to reinforce members' sense of ownership and long-term commitment.

5. IT Unit

Integrating digital communication platforms alongside traditional engagement mechanisms, including digital updates, online feedback systems, and accessible information portals, is encouraged to improve accessibility, responsiveness, transparency, and inclusive participation.

6. Cooperative Development Authority (CDA) and Cooperative Federations

Promoting governance excellence and engagement-driven retention strategies through capacity-building programs and the systematic sharing of best practices is encouraged to support cooperative sustainability.

7. Future Research

Extending the present study through investigations involving multiple cooperatives across different regions, organizational sizes, and operational structures is encouraged to enhance the generalizability of the findings. Conducting comparative analyses across cooperative types and employing longitudinal research designs is further recommended to validate the stability and applicability of governance, member satisfaction, and member engagement as determinants of membership retention.

Compliance With Ethical Standard

Prior to the commencement of the study, ethical clearance was obtained from the Lourdes College Research Ethics Committee (LC REC), ensuring that all procedures complied with institutional standards for research involving human participants and safeguarded participants' rights and welfare.

Following approval, data were collected from active members of a multipurpose cooperative in one of the cities in Bukidnon. Informed consent was obtained after explaining the study's purpose, procedures, and voluntary nature of participation. Participants were assured that participation or withdrawal would not affect their membership status or access to cooperative services. Confidentiality and anonymity were strictly maintained through coded responses and secure data storage.

A total of 384 active members, selected through simple random sampling, participated in the study. Data were gathered using a structured Likert-scale questionnaire measuring governance, member satisfaction, member engagement, and membership retention. Participants were given sufficient time to complete the instrument.

The questionnaire was designed for clarity and aligned with established constructs from the SERVPERF model and relevant governance and engagement literature. A five-point Likert scale ranging from "Strongly Agree" to "Strongly Disagree" was used to facilitate quantitative analysis.

Consistent with the Belmont Report (1979), the study upheld the principles of respect for persons, beneficence, and justice. Participation was voluntary, no incentives were provided, and the data were used solely for academic purposes.

After data collection, responses were reviewed for completeness prior to statistical analysis. Overall, the study adhered to institutional ethical standards and ensured the protection, dignity, and confidentiality of all participants.

ACKNOWLEDGEMENT

The authors express their gratitude to Lourdes College, Inc., the participating cooperative, and all participants for their cooperation and support in the completion of this study.

REFERENCES

1. Almaiah, M. A., Al-Khasawneh, A., & Althunibat, A. (2022). Trust and retention in digital financial institutions: The mediating role of service quality. *Journal of Retailing and Consumer Services*, 68, 103073. <https://doi.org/10.1016/j.jretconser.2022.103073>

2. Alshurideh, M. T., Al Kurdi, B., & Salloum, S. A. (2020). The effect of customer satisfaction on customer loyalty among mobile phone users. *International Journal of Marketing Studies*, 12(2), 38–53. <https://doi.org/10.5539/ijms.v12n2p38>
3. Blau, P. M. (1964). *Exchange and power in social life*. Wiley.
4. Cronin, J. J., Jr., & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55–68. <https://doi.org/10.1177/002224299205600304>
5. Garcia, A. R., & Dela Peña, J. M. (2023). Trust disposition and member commitment in Philippine cooperatives. *Journal of Business and Cooperative Research*, 7(2), 49–64.
6. Gil-Salapi, C. L. (2024). Financial literacy and cooperative engagement among rural members in the Philippines. *Asian Finance and Development Review*, 10(1), 73–88.
7. Kaur, H., & Soch, H. (2021). Service recovery and loyalty in cooperative service settings: The mediating role of trust. *Journal of Services Marketing*, 35(2), 202–214.
8. Lopez, M. A. (2021). Member satisfaction and commitment in Philippine cooperatives. *Philippine Cooperative Research Journal*, 5(2), 23–39.
9. Macaraeg, R. E., & Dacanay, M. L. (2021). Financial competition and cooperative sustainability in the Philippines. *Journal of Cooperative and Development Studies*, 9(1), 41–58.
10. Manzano, A. F. (2024). Service quality, perceived value, and member satisfaction in Filipino cooperatives: A SERVPERF analysis. *Philippine Journal of Organizational Studies*, 12(2), 67–84.
11. Ngugi, J., & Mugo, R. (2023). Financial literacy, perceived value, and member retention in Kenyan cooperatives. *African Journal of Business and Management*, 17(2), 44–59.
12. Nguyen, T. T., & Le, H. N. (2023). Brand image and customer loyalty in Vietnamese banking institutions. *Asian Journal of Business Research*, 13(2), 89–103.
13. Reyes, C. D. (2022). Cooperative awareness and member participation in community-based cooperatives. *Philippine Journal of Social and Development Studies*, 18(1), 77–92.
14. Ricadonna, M., Rusydiana, A., & Sari, N. (2023). Trust and perceived credibility as determinants of member retention in Islamic financial institutions. *Journal of Islamic Economics and Finance Studies*, 9(1), 66–80.
15. Sapkota, D., Shrestha, R., & Adhikari, B. (2023). Service performance, satisfaction, and retention in savings and credit cooperatives in Nepal. *International Journal of Cooperative Development*, 11(1), 59–75.
16. Tumban, M., & Delos Reyes, F. (2024). Shared values and participatory decision-making in Mindanao cooperatives: Effects on member retention. *Journal of Philippine Cooperative Research*, 13(1), 25–44.
17. United Nations. (2021). *The sustainable development goals report 2021*. United Nations Publications. <https://unstats.un.org/sdgs/report/2021>
18. Yamane, T. (1967). *Statistics: An introductory analysis* (2nd ed.). Harper & Row.
19. Yeboah, S. K., & Agyapong, A. (2023). Brand reputation, emotional attachment, and member retention in cooperative organizations. *International Journal of Cooperative Studies*, 9(2), 33–48.
20. Zamzami, I., Rusdarti, & Sudarma, I. (2022). Determinants of member loyalty and retention in Indonesian women's cooperatives. *Asian Journal of Cooperative Research*, 11(2), 88–104.