

Work Environment, Employee Commitment, and Work Attitude: A Structural Equation Model on Business Performance of Cooperatives in the Caraga Region

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Abstract

This study examined the relationships among the work environment, employee commitment, work attitude, and the business performance of cooperatives in the Caraga Region using path analysis. The study's specific objectives were to ascertain the levels of work environment, employee commitment, work attitude, and business performance; evaluate key correlations among variables; pinpoint the factors that influence firm operations; and establish the structural model that best fits the data. A non-experimental quantitative method and path analysis modelling techniques were applied. An accepted survey questionnaire was used to collect data from 400 respondents from certain cooperatives in the Caraga Region. The information was scrutinized using numerical methods such as mean, Multiple regression analysis, structural equation modelling, and linear correlation. The findings showed that respondents typically thought of a favorable job environment, staff commitment, job attitude, and firm performance. According to correlation studies, employee dedication and Business performance were significantly positively correlated with work attitude, although the association was weaker in the workplace. The strongest predictor of business performance, according to regression analysis, was work attitude. Furthermore, Model 3 was shown to be a path model in the three structural models examined, meeting the necessary goodness-of-fit indices. The study concludes that achieving sustainable corporate performance depends heavily on employees' behavioral characteristics, especially work attitude. The findings provide useful insights for cooperative leaders and organizations to enhance employee development, organizational effectiveness, and employee-centered management practices.

Keywords: work environment, employee commitment, work attitude, business performance, structural equation modelling, best-fit model, Philippines

1. Introduction

The world still faces difficulties in guaranteeing fruitful engagement and performance management systems (Guo, Y., & Chen, C. C., 2020). These objectives place a strong emphasis on promoting fair employment opportunities and productive workplace practices to advance toward broad-based wealth creation. Destitute conditions, poor personnel engagement, and adverse task disposition that stifle

creativity and efficiency frequently limit organizational efficiency in associations, especially in developing areas such as Region XIII (Brown, T. C., O’Kane, P., Mazumdar, B., & McCracken, M., 2019). Addressing these internal issues is crucial to achieving SDG 8's goals because cooperatives are critical community businesses that strengthen local economies (Helmold, M., & Samara, W., 2019).

The potential for an analysis to offer insights that will enhance the sustainability and performance of affiliations in Region 13 makes it significant. Improving performance management systems to enhance task engagement helps small businesses remain stable in the long run (Guglielmetti Muguerza, I., Arreola-Risa, A., & Flores-González, M., 2020). Worker mindset and period governance directly impact service quality and productivity (Davis, R. J., & Walker, M. S., 2018). The results may help partnership managers and legislators develop methods to foster a pleasant work environment and staff loyalty, ultimately improving team morale and business continuity (Aboramadan, M., Albashiti, B., Alharazin, H., & Dahleez, K. A., 2020).

Important factors that determine an organisation's performance include the relationships among the work environment, employee dedication, and work attitude. Martinez (2025) asserts that promoting comfort, safety, and teamwork at work creates a favorable work environment that increases employee productivity and advances corporate objectives. Performance aspirations in jobs are reflected in work attitudes, which have a substantial impact on the aviation industry. (Al-Tamimi, H. A., & Al-Dhaafri, H. S., 2021). It shows how these elements collaborate within companies to form a structural connection that fosters corporate accomplishment, emphasizing that a helpful option fosters devotion and upbeat outlooks that eventually drive the association's success (Navarro and Cruz 2023). There is little empirical evidence on joint firm outcomes, especially in provincial and district contexts, because most current research either examines these factors in isolation or focuses primarily on private and corporate businesses (Arifin, Z., Nirwanto, N., & Manan, A., 2019). It emphasizes that workplace elements combine and produce collective firm conclusions. Furthermore, only a small number of studies have examined the connections between a workplace, employee commitment, and work attitude. In addition to expanding a speculative understanding of how businesses operate in collaborative settings, filling this gap will provide useful suggestions for improving job satisfaction and performance in the territorial marketplace (Waworuntu, E. C., Kainde, S. J. R., & Mandagi, D. W., 2022).

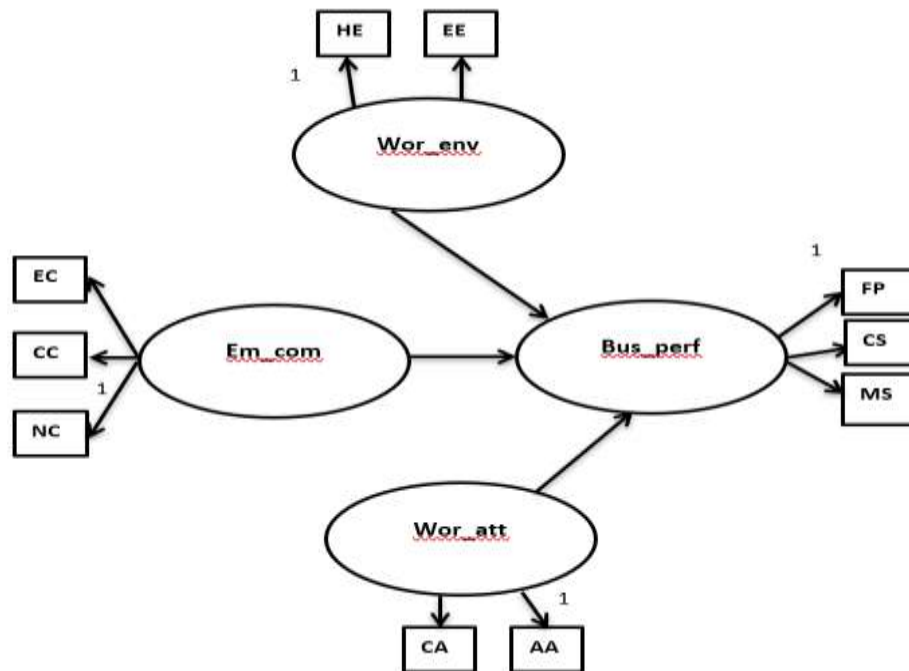
An interaction in organizational and behavioral aspects in describing managerial individuals that affects the execution of associations on the basis of this study. Positive work environments in cooperatives allow workers to prioritize activities and match individual aspirations with company aims. Goal-setting theory, according to Locke and Latham (2021), posits that when accompanied by appropriate workplace conditions, clear, precise, and difficult goals enhance employee motivation and task performance. In a similar vein, Martinez (2025) pointed out that employees can more effectively connect their efforts to organizational goals in a well-structured workplace with clear responsibilities. Thus, the notion is that a favorable workplace functions to improve corporate organizations. (Reyes & Delgado, 2024).

This idea provides the basis for understanding employee commitment, which is essential to a cooperative's success. Gonzales and Tan (2022) assert that devoted workers put in more effort and remain faithful even in difficult circumstances.

Work attitude has a big impact on ethical performance, teamwork, and employee engagement in cooperative enterprises. Positive attitudes encourage cooperation and resilience among cooperative members, claim Lim and Ortiz (2021). In a similar vein, Fernandez (2023) highlighted that better job quality and organizational harmony result from positive behavioral objectives. Cooperative objectives

promote citizenship and enterprises, which are important components of business performance under SDG 8, as Reyes (2024) noted.

When combined, these theories offer a strong framework for examining how the variables in the study relate to one another, creating a path analysis to capture the system of firms in Region XIII. Finding a best-fit model to predict business performance for cooperatives was the main objective of this study.



Legend:

HE-humanistic environment	AA-affective attitude
EE-entrepreneurial environment	FP-financial performance
EC-emotional commitment	CS-customer satisfaction
CC-continuance commitment	MS-market share
NC-normative commitment	
CA-cognitive attitude	

Figure1. Illustrating that the Latent's endogenous variables are influenced by exogenous variables.

In particular, the findings would provide a more thorough understanding of how the workplace, employee dedication, and work ethic influence sustainability and production in cooperatives in the Caraga Region. The study's findings can inform staff behavior in cooperative management, helping academics and policymakers develop frameworks that improve productivity, worker satisfaction, and economic contribution in community-based businesses.

Additionally, a variety of stakeholders in the cooperative ecosystem would benefit from the study. The findings can be used by cooperative managers and leaders to create policies and initiatives that promote member engagement and performance by strengthening staff commitment and creating a healthy work environment. By learning more about the behavioral elements that sustain cooperative growth and promote regional development objectives. The findings of this study can also be applied by cooperative members and employees to enhance their individual productivity, teamwork, and organizational loyalty. Lastly, this study's importance to the broader field of business and organizational studies may be

enhanced by future researchers who use it as a reference to further scholarly conversations.

2. Method

Four hundred respondents were selected to participate in the survey, which is a minimal number of observations for a causal model. It also draws attention to the flaws in the often-used generalizations in SEM.

400 workers from organizations in Region XIII participated in the survey. Since this study is connected to employees working in various cooperatives, employees not employed by the cooperatives are neither eligible nor excluded. Respondents are free to decline or withdraw from the questionnaire without incurring any penalties or losing any advantages. Additionally, purposive sampling was used; this method was chosen based on the population's characteristics and the study's goal. Another name for it is subjective, judgmental, or selective sampling (Crossman, 2018).

The researcher established a list of requirements for participation in the study. The study's respondents were employees of legal age who worked in cooperatives and were deemed to be in good physical and mental health. Respondents were not allowed to participate in the study if they did not meet the requirements.

Work environment by (Abun et al., 2021), employee commitment by (Kipchirchir, 2015), work attitude by (Abun et al., 2021), and business performance by (Saranza et al., 2024) are the many components of the instrument that will be adopted and pulled from various connected studies. The range of means, descriptions, interpretations, and response options for each of the five orderable gradations of variables.

A five-point rating system was used to interpret the study's responses. The statement is highly observed when the mean score falls between 4.20 and 5.00. A high level, shown by a mean of 3.40 to 4.19, indicates that the statement is frequently observed. The statement is occasionally noticed when the mean falls between 2.60 and 3.39, which is a moderate level. A low level, where the statement is rarely noticed, is represented by a mean of 1.80 to 2.59. Last but not least, a mean between 1.00 and 1.79 indicates a Very level, meaning the statement is hardly ever observed. They were reorganized and revised in accordance with the recommendations from the knowledgeable validators. Following validation, a pilot test was conducted, and its validity was assessed using Cronbach's alpha.

3. Results and Discussion

Means and Standard

Deviation of the Constructs

The reported general mean for the work environment is 3.9592, which is considered high. Employee dedication obtained an overall mean of 3.7803, which is considered strong, while job attitude received a general mean of 3.6487, which is likewise considered high. However, the total mean for business success was 4.2312, which is considered quite high. These results show that cooperatives typically uphold good working conditions that facilitate organizational operations and employee functioning.

Table1
Means and Standard Deviation of the Constructs

Variables	SD	Mean	Description
Humanistic Environment	0.38615	4.0532	High
Entrepreneurial Environment	0.46422	3.8905	High

Work Environment	0.38527	3.9592	High
Emotional Commitment	0.4842	3.794	High
Continuance Commitment	0.46103	3.9027	High
Normative Commitment	0.50012	3.6398	High
Employee Commitment	0.3974	3.7803	High
Cognitive Attitude	0.44437	3.6135	High
Affective Attitude	0.48717	3.6748	High
Work Attitude	0.40175	3.6487	High
Financial Performance	0.69155	4.134	High
Customer Satisfaction	0.63672	4.1735	High
Market Share	0.63376	4.3925	Very High
Business Performance	0.56935	4.2312	Very High

1.00-1.80 Very Low; 1.81-2.60 Low; 2.61-3.40 Moderate; 3.41-4.20 High; 4.21-5.00 Very High

The result corroborates prior research highlighting the benefits of supportive work environments for both organizational effectiveness and employee satisfaction. Positive workplace conditions increase employee commitment and productivity, claim Chigeda et al. (2022). In a similar vein, Egitim (2022) highlighted how organisational settings affect employee conduct and organizational results. Additionally, this outcome is consistent with the findings of Bogler and Berkovich (2022), who highlighted that dedicated workers exhibit higher levels of organizational performance and involvement. Employee engagement increases organizational productivity and sustainability, according to Chigeda et al. (2022).

This result corroborates research showing that employee attitudes have a major impact on organizational outcomes. Finally, the results support Hasibuan's (2022) assertion that personnel factors and organizational structures influence firm organization.

Correlation between the Variables

Employee dedication and work ethic showed strong positive correlations with company performance, as shown in Table 2. This suggests that corporate performance tends to improve along with staff dedication and favorable work attitudes. In contrast to the other variables, the work environment showed a weaker association.

Additionally, strong correlations between customer-facing outcomes and structural alignment indicators (NC, EC) are evident. Lastly, the systemic paradigms identified by Su et al. (2016) align with the crucial path from systemic operations to operational quality metrics, demonstrating significant impact.

Table 2
Correlation between Variables

		FP	CS	MS	BPOver
HE	Pearson Correlation	.139**	.202**	0.058	.150**
HE	Sig. (2-tailed)	0.005	0	0.249	0.003
HE	N	400	400	400	400

EE	Pearson Correlation	0.031	0.071	-0.053	0.016
EE	Sig. (2-tailed)	0.539	0.157	0.294	0.752
EE	N	400	400	400	400
WEover	Pearson Correlation	0.085	.141**	-0.008	0.08
WEover	Sig. (2-tailed)	0.091	0.005	0.866	0.111
WEover	N	400	400	400	400
EC	Pearson Correlation	.159**	.171**	-0.019	.119*
EC	Sig. (2-tailed)	0.001	0.001	0.703	0.017
EC	N	400	400	400	400
CC	Pearson Correlation	0.098	.167**	0.01	.101*
CC	Sig. (2-tailed)	0.05	0.001	0.844	0.044
CC	N	400	400	400	400
NC	Pearson Correlation	.174**	.221**	0.043	.165**
NC	Sig. (2-tailed)	0	0	0.389	0.001
NC	N	400	400	400	400
Ecover	Pearson Correlation	.171**	.227**	0.021	.157**
Ecover	Sig. (2-tailed)	0.001	0	0.671	0.002
Ecover	N	400	400	400	400
CA	Pearson Correlation	.261**	.235**	.111*	.233**
CA	Sig. (2-tailed)	0	0	0.027	0
CA	N	400	400	400	400
AA	Pearson Correlation	.157**	.140**	0.01	.120*
AA	Sig. (2-tailed)	0.002	0.005	0.838	0.016
AA	N	400	400	400	400
WAover	Pearson Correlation	.239**	.221**	0.074	.206**
WAover	Sig. (2-tailed)	0	0	0.141	0
WAover	N	400	400	400	400

Legend:

HE-humanistic environment AA-affective attitude
 EE-entrepreneurial environment FP-financial performance
 EC-emotional commitment CS-customer satisfaction

CC-continuance commitment MS-market share
 NC-normative commitment
 CA-cognitive attitude

The Best-Fit Model that Forecasts Firm Performance of Partnerships in the Caraga Region

This portion analyzes how the study changes are related. Path Analysis was applied, including CMIN/DF, p-value, NFI, TLI, CFI, GFI, RMSEA, and Pclose, to test and assess three different structural models.

Table 3
Summary of Goodness of Fit Measures

Index	Criterion	Model 1	Model 2	Model 3
CMIN/DF	0<value<2	3.95	.002	1.698
p-value	>.05	.008	.967	.107
NFI	>.95	.982	1.000	.991
TLI	>.95	.955	1.016	.984
CFI	>.95	.987	1.000	.995
GFI	>.95	.988	1.000	.994
RMSEA	<.08	.086	.000	.051
Pclose	>.05	.097	.980	.406

Legend

CMIN/DF- Minimum Discrepancy divided by Degrees of Freedom

CFI- Comparative Fit Index

p-value- probability value

GFI- Goodness of Fit Index

NFI- Normal Fit Index

Pclose – test of Close Fit

RMSEA-Root Mean Square Error of Approximation

The results imply that behavioral and organizational elements influence corporate performance, with employee-related aspects being crucial to organizational efficacy.

The standard structural model solution for the human resource capacity engine is shown in Figure 2. A 1-unit increase in the employee base corresponds to a 0.520-unit increase in total firm business, provided the unexplained variance remains unchanged. A model gets associations with businesses from the major leverage of internal personnel preparedness capacity.

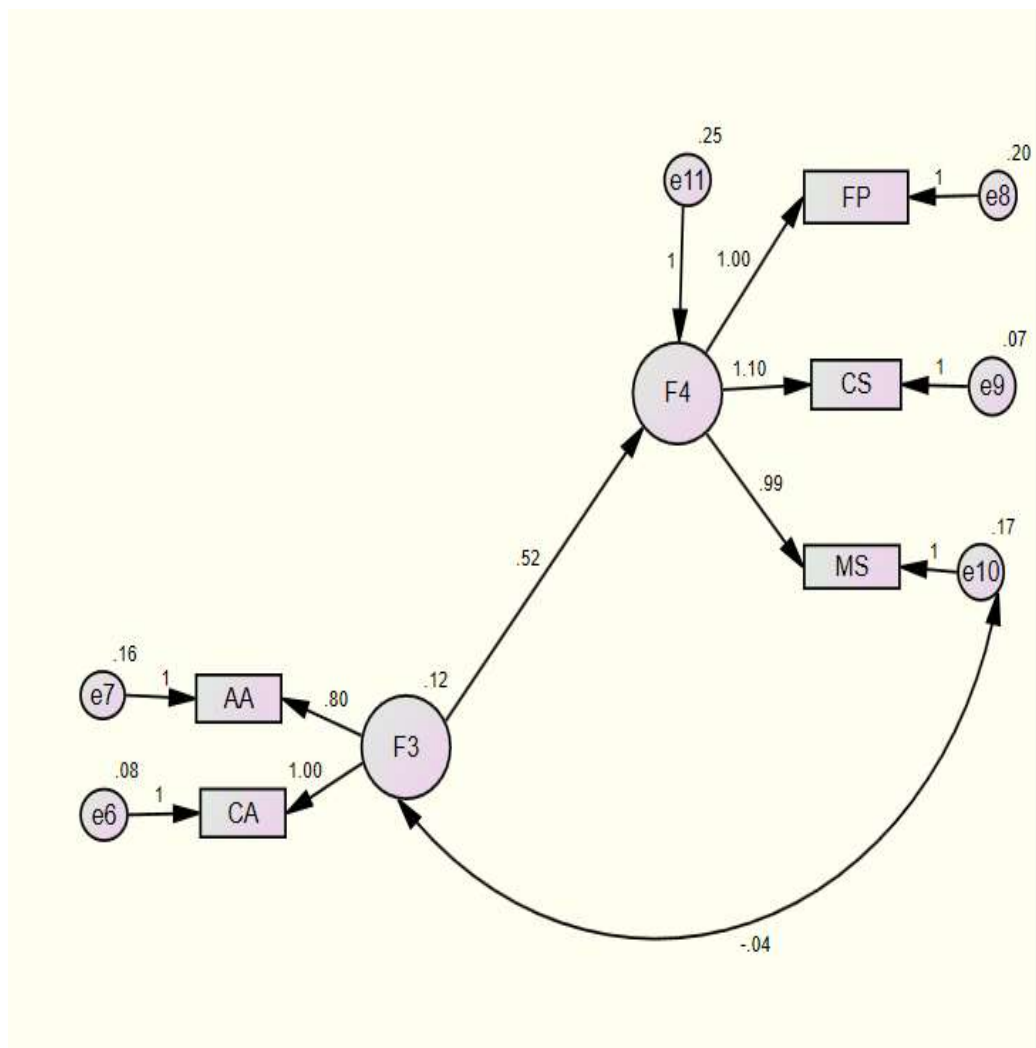


Figure 2. Structural Equation Model 3 in Standardized Solution

Legend

HE-humanistic environment	AA-affective attitude
EE-entrepreneurial environment	FP-financial performance
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Employee engagement and capacity, according to Mone and London (2018), are about knowing one's role within an organization and being conscious of and passionate. These changes were made to take the data into account (Schumacker & Lomax, 2010). However, changes that made logical sense or were supported by theory were incorporated during the model modification process (Su et al., 2016).

4. Conclusion

According to studies, respondents' perceptions of their companies' work environments, pay, work attitudes, and business success were generally favorable. The workplace does not significantly affect corporate performance on its own, even though it is still crucial for fostering employee satisfaction.

Additionally, the path analysis model, verified in companies looking to boost, prioritizes promoting staff perspectives rather than focusing solely on aspects related to the environment or compensation. Overall, the study concludes that achieving sustainable corporate performance largely depends on human behavioral factors, especially work attitude.

To boost morale and organizational performance, management will also implement team-building exercises, leadership support, recognition programs, and employee engagement initiatives. Organizations will push to sustain equity, preserve market-competitive relevance, structures, and cultivate a beneficial firm culture marked by cooperation, trust, transparency, and staff empowerment, even though compensation was not found to be the leading predictor. While creating retention methods that promote worker well-being, competent development, and perseverance, operations managers are also urged to prioritize outward and attitudinal evaluation in hiring, on-the-job training, and achievements review. In order to further validate and reinforce the results of the current study, future analysts may broaden the research by adding variables such as management mode, organizational behavior, job satisfaction, and modernization practices. They may also carry out comparative or longitudinal studies across various industries.

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